

JPRS 73818

9 July 1979

No. 1184

# USSR Report

TRADE AND SERVICES

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<b>REPORT DOCUMENTATION PAGE</b>		1. REPORT NO JPRS 73818	2.	3. Recipient's Accession No
4. Title and Subtitle USSR REPORT: TRADE AND SERVICES, No. 1184		5. Report Date 9 July 1979		
6.		7. Author(s)		
8. Performing Organization Name and Address Joint Publications Research Service 1000 North Glebe Road Arlington, Virginia 22201		9. Project/Task/Work Unit No		
10. Contract(G) or Grant(G) No (C) (G)		11. Type of Report & Period Covered		
12. Sponsoring Organization Name and Address As above		13.		
14.		15. Supplementary Notes		
16. Abstract (Limit 200 words)  This serial report contains information on international economic relations, communications, consumer goods, domestic trade, transportation, manpower, and industrial sociology.		17. Document Analysis & Descriptors  USSR International Relations Commerce Consumer Goods Domestic Trade Economics Manpower Telecommunications Transportation		
18. Identifiers/Open Ended Terms c. COSATI Field/Group SC, SI, 17B		19. Security Class (This Report) UNCLASSIFIED		
20. Availability Statement Unlimited Availability Sold by NTIS Springfield, Virginia 22161		21. No. of Pages 60		
		22. Price		

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## INTERNATIONAL ECONOMIC RELATIONS

### ACTIVITIES OF USSR CHAMBER OF COMMERCE

Moscow EKONOMICHESKAYA GAZETA in Russian No 24, Jun 79 p 21

[Article by B. Borisov, Chairman of the Presidium of the USSR Chamber of Commerce, and V. Zhukov, economist: "Promoting Foreign Economic Ties"]

[Text] In the development and functioning of the broad network of industrial-trade and scientific-technical ties between the Soviet Union and other countries, there has been a steady increase in the role played by the USSR Chamber of Commerce (TPP). In 1978, as compared with 1977, the number of industrial enterprises which are members of this public organization rose from 2,215 to 2,323; the number of trade institutions among the TPP members increased from 798 to 828; and the number of scientific-research institutes and design bureaus increased from 270 to almost 300.

In the message of the USSR Council of Ministers to the most recent congress of the Chamber of Commerce, which was held in 1978, it was noted that the Chamber's activities which are aimed at developing the foreign-economic and scientific-technical ties, as well as its work of organizing exhibitions, providing expert judgments concerning imported and exported commodities, and the granting of patents for inventions received broad recognition both in our own country and abroad. These activities promote the development of mutually advantageous contacts with the business circles in foreign countries in conformity with the principles of the foreign-economic policy of the Soviet Union. The Council of Ministers has given the Soviet TPP the task of promoting to an even more effective extent the expansion of the complete ties between foreign trade and industry, the task of improving the quality and competitiveness of export output, and of executing the long-term specially-earmarked programs for cooperation among the CEMA member countries.

An important place in the activities of the TPP is occupied by the organizing of Soviet displays at foreign exhibitions and fairs, and, on the other hand, the preparation and conducting of international and foreign exhibitions on the territory of the USSR.

In 1978 the Chamber had displays, in 26 foreign countries, in 30 exhibitions, including 11 in socialist countries, nine in the developing countries,

and six in the industrially developed capitalist states. A Soviet national exhibition was held in Finland, and two TPP information centers operated in Portugal and France.

Soviet industrial enterprises and associations displayed at exhibitions abroad a total of 83,000 models of their output. Approximately 19 million persons became acquainted with them. Seventy-one Soviet displays were awarded gold medals.

At foreign fairs and exhibitions, Soviet foreign-trade organizations in 1978 concluded contracts for a total of more than 7 billion rubles.

There has been a noticeable increase in the interest shown by foreign business circles to the holding of exhibitions in the Soviet Union. Whereas in 1977, 205 international and foreign exhibitions were held in our country, in 1978 there were 220, including two branch exhibitions -- the second international Inprodtorgmash-78 exhibition and the third international Sel'khoz-tekhnika-78 exhibition, as well as 11 international specialized exhibitions.

Two national exhibitions held in Moscow were very successful. One of them -- "A Hundred Years of the Liberation of Bulgaria" -- was an exhibition which became still another brilliant demonstration of Bulgarian-Soviet friendship, and a display of the achievements resulting from the increasing cooperation between Bulgaria and the USSR. The second one -- "India -- Eternal and Always New" -- was the largest exhibition ever held abroad by India. It was timed to coincide with the celebration of the anniversary of the proclamation of the republic's independence and the signing of the Soviet-Indian Treat of Peace, Friendship, and Cooperation.

An Iranian exhibition, a Spanish industrial exhibition, and exhibitions of Afghanistan and Turkish export commodities were organized in the USSR for the first time.

The total number of foreign displays in our country exceeded 131,000. The participants in the international and foreign exhibitions in the Soviet Union included 4,300 firms and organizations from 33 countries, including seven socialist, six developing countries, and 20 industrially developed capitalist states.

By the beginning of 1979, more than 17,000 Soviet patents were in effect abroad, and more than 12,000 patents of foreign firms were in effect in the USSR. In 1978 the TPP, on instructions from economic and scientific-research organizations, sent abroad approximately 4000 applications for patents. During the year more than 3,100 patents from foreign countries were obtained for Soviet inventions, as well as more than 100 certificates to register trade marks for the exported output produced by Soviet organizations.

On the other hand, the TPP transmitted more than 3,400 applications from foreign firms to USSR State Committee on Inventions and Discoveries. During

the year, foreign firms and organizations were issued approximately 2000 Soviet patents and approximately 300 Soviet originator's certificates.

The Chamber continued to develop its activities in protecting Soviet patents. Active work was carried out by the Soviet National Group of the International Association for the Protection of Industrial Property (AIPPI). It participated in the preparation of the treaty dealing with international patent cooperation and the agreement among the CEMA member countries concerning the reciprocal recognition of originator's certificates and other protective documents dealing with inventions.

The number of foreign firms with which the TPP maintained direct ties dealing with patent matters in 1978 came to 2,500, as compared with 2000 in 1977.

The work of commodity quality control in 1978 was carried out by 305 bureaus and groups for commodity appraisals. The USSR Chamber of Commerce carried out 1,303,000 expert appraisals, or 4 percent more than in the previous year. The value of the verified commodities, including raw materials, equipment, and consumer commodities (in retail prices) came to 27 billion rubles, including imported commodities, almost 23 billion.

A considerable share of this work involves the quality control of imported equipment. Expert appraisals were made for approximately 12 percent of the foreign equipment delivered to the Soviet Union, as compared with 10 percent in 1977. As a result of the control verifications, imported commodities with a total value of 428,000 rubles were rejected or had their grade reduced.

The Chamber continued to devote a large amount of attention to appraising manufactured consumer goods. During the year they checked commodities in this category with a total value of 4.3 billion rubles (in retail prices), of which those with a total value of approximately 105 million rubles were rejected or had their grade reduced.

For purposes of the prompt prevention of shipments of inferior commodities, the Chamber has been increasing the timeliness of its reports of instances of violations. During 1978, 28 Soviet foreign-trade organizations that were purchasing commodities from abroad, received from the TPP experts 2,053 timely reports concerning instances in which shipments were being made to the USSR of commodities that failed to correspond to the quality terms in the concluded contracts. The Chamber sent to the Main Administration for Import, of the USSR Ministry of Foreign Trade, and to 40 trade representations of the USSR abroad, approximately 1,100 reports dealing with the quality of the imported commodities that had been checked by the Chamber; those reports were to be used in negotiations with the managers of the foreign-trade organizations and firms in the other countries.

The TPP also expanded its quality control over the Soviet commodities destined for export. Foreign firms and organizations make increasingly frequent use

of the services provided by the Chamber's experts. In 1978, on authorizations granted by 39 foreign firms, the Soviet TPP carried out quality control on Soviet technological equipment for large-scale industrial projects being erected with the technical assistance of the USSR abroad.

For purposes of the further expansion of the circle of foreign partners of the Soviet Union, the Soviet Chamber of Commerce maintains ties with the national chambers of commerce, the branch unions of enterprise owners, and international and regional economic organizations. By the beginning of 1979, the TPP had stable business ties with the chambers of commerce and similar organizations in 80 countries. Cooperation was carried out on a long-term contractual basis with 37 of them, as compared with 32 in 1977. During the year, agreements of cooperation were signed with the chambers of commerce of the United States, Cyprus, Ghana, Greece, and Colombia.

Active assistance in developing and reinforcing bilateral trade ties is provided by the combined chambers of commerce: Czechoslovakian-Soviet, French-Soviet, Finnish-Soviet, Italian-Soviet, British-Soviet, Arab-Soviet, and the American-Soviet Trade and Economic Council. In 1978 the Iranian-Soviet Chamber of Commerce was created.

The representations of the combined chambers of commerce in Moscow actively promoted the preparation and conducting of seminars, technical lectures, and symposia for the foreign firms, in which Soviet specialists took part.

The Soviet TPP attaches great importance to the cooperation with the chambers of commerce of the socialist countries. Various measures involving the granting of assistance in implementing the Comprehensive Program for Socialist Economic Integration were carried out with close contact among the chambers of commerce; this pertains also to various measures involving the execution of decisions of CEMA agencies and bilateral and multilateral agreements of cooperation. The 1978 Prague Conference of Representatives of the Chambers of Commerce of the CEMA Member Countries and Yugoslavia discussed the scope of work to aid the fulfillment of the long-term specially-earmarked programs of cooperation and made a number of specific business recommendations. Days dedicated to the economy and technology of various socialist countries were held in Soviet cities with the assistance of the TPP: Czechoslovakia (in Vil'nyus), Hungary (in Alma-Ata and Minsk), Poland (in Riga), and Bulgaria (in Leningrad and Baku).

There was an expansion of the contacts between the Soviet TPP and various international economic organizations -- the International Chamber of Commerce, the Secretariat of UNCTAD, the International Trade Center of UNCTAD/GATT.

In June 1978, with the assistance of the Soviet TPP, a meeting was organized in Moscow for representatives of the ministries and departments of the Soviet Union and prominent representatives of the business circles of 13 countries in Western Europe, the United States, and Japan, at which meeting there was an exchange of opinions dealing with a broad circle of questions

pertaining to trade-economic and industrial cooperation in the area of the granting of credit and the financing of the transfer of technology, as well as the prospects for cooperation in the area of protecting the environment, power engineering, and transportation.

The participants in the meeting confirmed that, within the framework of their capabilities, they would promote the further development of business cooperation on the basis of the principles of peaceful coexistence and the principles stated in the Concluding Act of the Conference on Security and Cooperation in Europe.

During the current year the USSR Chamber of Commerce is devoting a large amount of attention to measures connected with the thirtieth anniversary of the activities of the Council for Mutual Economic Assistance. All the Soviet exhibitions abroad have special displays showing the success achieved by the Soviet Union and the other CEMA member countries in the field of the economy, science, and culture, and their contribution to the development of socialist economic integration, to the expansion of the mutually advantageous economic relations based on equal rights, and to the struggle for the peace and security of nations. The exhibitions reflect the glorious creative prospect opened up by the long-term specially-earmarked programs for cooperation among the CEMA member countries in the key spheres of material production, the implementation of which will promote the solution of the socioeconomic tasks of the fraternal countries in socialist and communist construction.

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## INTERNATIONAL ECONOMIC RELATIONS

### SOVIET-CZECH COOPERATION

Moscow PRAVDA in Russian 22 May 79 p 4

[Article by B. Averchenko and I. Biryukov, PRAVDA special correspondents: "High Rungs"]

[Text] On the banks of the Vltava and the Danube, throughout Czechoslovakia, people have perceived with a sense of satisfaction the report of the forthcoming visit of friendship to the Czechoslovakian Socialist Republic by member of the Politburo of the CPSU Central Committee, Chairman of the USSR Council of Ministers A. N. Kosygin. The broad public in the country has expressed the assurance that this visit will serve the further reinforcement of the friendship between our peoples.

The advantages of socialism reveal themselves more fully in direct proportion to the breadth and depth of the interaction between the fraternal countries. The course aimed at the further strengthening of the unit and solidarity of the states in the socialist community, at their natural rapprochement, and at the expansion of cooperation, was approved by the 25th CPSU Congress and the highest forums of the fraternal parties, and that course is being steadily implemented.

Thousands of living threads currently connect the party organizations, cities, regions and villages, labor collectives, and creative institutions of Czechoslovakia and the Soviet Union. The economic cooperation between the two states has achieved a tremendous scope that has never been achieved in the past, and that cooperation has risen to a new qualitatively higher rung. Naturally, the further advance toward the high goals constantly requires the deepening of the interaction between fraternal countries, the coordination of efforts when resolving economic problems.

The successful implementation of the tasks of socialist and communist construction, the greater reinforcement of the international positions of socialism, are actively promoted by the meetings between the leading figures in the fraternal states, their reciprocal visits. A special place among them is occupied by the visit a year ago to Czechoslovakia by a Soviet party and governmental delegation headed by General Secretary of the CPSU Central Committee,

Chairman of the Presidium of the USSR Supreme Soviet Comrade L. I. Brezhnev. At that time, at negotiations in Prazski Grad, L. I. Brezhnev and the Czechoslovak leaders headed by General Secretary of the Central Committee of the Communist Party of Czechoslovakia, President of the ChSSR [Czechoslovakian Socialist Republic] Gustav Husak reconfirmed the complete unity of our states and fraternal parties.

A year is a comparatively short period of time from the point of view of historical perspective. But a lot has been done during that time. That period was filled with active creative work to implement the principles expressed in the Joint Declaration concerning the further development of the fraternal friendship and complete cooperation between the CPSU and the CPC, between the USSR and the ChSSR, which declaration was signed by L. I. Brezhnev and G. Husak on 2 June 1978.

We can see in all areas the rich fruit of this labor that is being performed in common interests. There has been a deepening of the Soviet-Czechoslovakian ties along the line of the party and state agencies. There has been an expansion of the specialization and cooperation in production. We are interacting more closely on the international scene in the fight for security and lasting peace on earth.

Our economic ties are developing within the framework of the multilateral relations among the CEMA member countries. This is the source of the constantly growing efforts that are aimed at the successful implementation of the Comprehensive Program for Socialist Economic Integration, the active participation in the development of long-term earmarked programs. A very important fact is that a state of agreement has been achieved in accelerating the joint development of a long-term program for specialization and cooperation of production until 1990.

The level of development of the economic ties between our countries is graphically reflected in trade. Its growth has been impressive. Suffice it to state that from 1950 through 1978 the commodity turnover has increased by a factor of almost 16. At the present time the Soviet Union accounts for one-third of the turnover of Czechoslovakian foreign trade. And one is impressed not only by the quantitative indices, but also by the structural changes in the reciprocal exchange of commodities. For example, the share of machinery and equipment in Czechoslovakian export to the USSR has risen from the early 1950's from 29 percent to 60 percent. The orientation on the Soviet market enabled Czechoslovakia, as specialists have noted, to reorganize its national economy in conformity with the requirements of a highly developed advanced economy.

In the ChSSR approximately one-third of the national income is created in the sphere of foreign trade. It is assumed that by 1990 that share will rise to one-half. One can easily understand the tremendous importance to the republic that is represented by the volume, stability, and reliability of its foreign markets, and the large Soviet orders are creating the maximally favorable conditions for the improvement of large-series production

in the ChSSR and the raising of the technical level and quality of output.

The Soviet Union has become the basic purchaser of Czechoslovakian metal-working machine tools, electric and diesel locomotives, trucks, streetcars, looms, chemical and rolled-metal equipment, and motorcycles.

Recently an unusual press conference was held in Siberian Square in Prague, where the exhibition hall of the USSR Trade Representation to Czechoslovakia operates. The press conference was organized by the Czechoslovakian-Soviet Chamber of Commerce. The trade representative from the Soviet side, V. A. Vladimirs'kiy, and, on the Czechoslovakian side, the leaders of the largest production associations and foreign-trade organizations discussed the development of reciprocal shipments. An impressive picture was spread in front of the eyes of those present at the press conference -- the picture of the movement of millions of tons of freight being shipped from one country to the other. And that freight consisted of everything, from the most highly developed machinery to raw materials, from consumer goods to the latest equipment for gigantic enterprises. And in that complex intertwining of interrelations one could clearly discern features of innovation.

First of all it is the unification of material resources for purposes of assuring the import needs of the ChSSR by means of its shared participation in developing the production of the basic types of raw-material and fuel-and-energy commodities on the territory of the USSR.

Probably the most graphic results of this interaction has been the creation by the CEMA member countries of the Soyuz main gas pipeline and the high-voltage electrical-transmission line from Vinnitsa to Albertirs. By 1979, thanks to its participation in these integrational construction projects, Czechoslovakia will receive from the USSR a large quantity of gas and electric energy. It is easy to realize what tremendous importance this has at a time when there has been an increase in the difficulties in purchasing fuel and raw materials on the world market.

Another substantial new feature has been the increase in the volumes of reciprocal shipments of specialized machine-building output. A typical example is that in the area of electrical engineering: for several years the Soviet Union and Czechoslovakia have been producing asynchronous motors with a high technical level according to a uniform program, thus making it possible to obtain a substantial saving of funds. The division of labor between the two countries means that each of them produces supplementing types of electrical machinery, satisfying by means of reciprocal shipments the needs for the remaining types of motors.

Specialization is being extended into newer and newer areas. The dynamics of this expansion are also very telling: whereas the share of shipments based on agreements between the USSR and the ChSSR dealing with specialization in the reciprocal trade of machinery and equipment constituted 21 percent in 1975, last year it had already reached one-third.

Multilateral specialization and cooperation are being carried out consistently by the CEMA member countries in the production of equipment for nuclear power engineering. Alongside of the USSR, Czechoslovakia is an active participant in the resolution of this key problem. A major technical-production base for atomic machine-building is being created in the ChSSR. The production of certain types of equipment for AES has been assimilated on the basis of Soviet technical documentation. Shipments for fraternal countries from Czechoslovakian enterprises have already been begun. In its turn, during the construction of AES, the ChSSR uses Soviet technology and technological processes.

Dozens of large-scale industrial enterprises, construction projects, and individual comprehensive units are operating in Czechoslovakia, after being constructed or remodeled with the technical cooperation of the Soviet Union. They include the East Czechoslovakian Metallurgical Combine and the 1.5-gauge railroad from the Soviet-Czechoslovak border to the city of Kosice; four home-building combines; a ground station for distant space communications; a plant for the production of phosphoric acid made by the furnace process; studio and mobile equipment for color television at TV centers in Prague, Bratislava, Brno, Ostrava, and Kosice. At the present time the USSR is rendering technical assistance to Czechoslovakia in the construction of AES. In the course of coordinating the national economic plans of the USSR and the ChSSR, the two sides coordinate the long-term projects for cooperation, which include the (Gabchikovo-Nad'marosh) hydraulic-engineering complex being constructed by Czechoslovakia and the Hungarian People's Republic with the technical aid of the Soviet Union.

Recently Prague celebrated a remarkable date -- the fifth anniversary of the operation of its subway system. On 9 May 1974, on the day celebrating the anniversary of the liberation of Czechoslovakia from the Hitlerite usurpers by the Soviet Army, the first trains on the Prague subway carried their first passengers. In April of this year seventh-grade student Jan Valente, at the ("Staromes'kskaya") station, was given a free pass as the 500-millionth passenger.

"The subway," General Director of the Prague Transportation Enterprise Mikulas Lacek stated, "contributes to the solution of extremely complicated problems in the capital of the ChSSR. The building of the subway is one of the decisive construction projects of socialism in Czechoslovakia. It teaches fraternal interaction in the spirit of internationalism."

In May the Czechoslovakian countryside springs into bloom. Work reaches a fever pitch in the fields, and the plants and factories quicken their tempo. A spirit of creative construction permeates the entire life of the fraternal nation, and an inseparable part of that life is the friendship with the Soviet Union. The ties that bind our nations become stronger in joint labor, in the offering to one another of hearts that beat in the same rhythm.

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## INTERNATIONAL ECONOMIC RELATIONS

### CEMA COOPERATION IN AGRICULTURE, FOOD INDUSTRY

Moscow EKONOMICHESKAYA GAZETA in Russian No 25, Jun 79 p 20

[Article by V. Lichev, Professor, Section Chief, CEMA Secretariat: "For the Good of the Workers: The Long-Term Specially-Earmarked Program for Cooperation in the Field of Agriculture and the Food Industry"]

[Text] The CEMA member countries have achieved considerable success in developing agriculture, the food industry, and the branches that deliver producer goods to them. The average annual volume of production of grain and leguminous crops in 1976-1978 constituted 300 million tons, as compared with 131 million tons in 1951-1955. Meat production in 1978 reached 25.6 million tons, as compared with 8.4 million tons in 1950; milk, respectively, 135.3 million tons and 54 million tons; eggs, 96.1 billion and 20.1 billion. At the present time the share of the CEMA member countries is one-third of the world's total wheat production, and almost one-half the sugar beets and potatoes.

New, broad opportunities for the further intensive development of grain production, the output of animal husbandry, and the other basic agricultural products are opened up by the longterm specially-earmarked program for cooperation (DTsPS) in the field of agriculture and the food industry, which was adopted by the 32nd CEMA Session. The basic goal of the program consists in providing the maximum assistance in the solution of the task of satisfying the food needs of the population of the CEMA member countries for the basic foodstuffs, as well as the creation of the necessary reserves. The attainment of that goal will be based on the intensive development of each country's own production, as well as the expansion and deepening of the international socialist division of labor and the development of mutually advantageous economic and scientific-technical cooperation.

In the interests of the complete satisfying of all the needs of the CEMA member countries for grain, including the creation of the necessary reserves, the task is being posed to increase its average annual production, in per-capita terms, to one ton (in 1971-1975 that index was equal to 700 kilograms).

Steps have been planned to render assistance to the accelerated development and increase in the effectiveness of production of agriculture and the food industry in the Republic of Cuba and the Mongolian People's Republic.

#### Agriculture

In vegetable husbandry the DTsPS provides for the development of new, promising varieties and hybrids of grain, legume, and oil-bearing crops, sugar beets, potatoes, fodder, vegetable, and fruit-and-berry crops which possess high potential harvest yields and high quality, which are resistant to unfavorable environmental factors, pests, and diseases, and which are suitable for industrial methods of cultivation and harvesting under various soil and climatic conditions.

For this purpose, within the framework of the CEMA Permanent Commission for Agriculture, it is planned to intensify the cooperation among the leading selection institutes in the fraternal countries, to expand and increase the activities of the existing coordinating centers in the area of seed selection for agricultural crops, and to create new centers. It is also planned to improve the international testing of varieties, and to develop improved methods and forms of seed production, of accelerating the introduction of new, more valuable varieties and hybrids of agricultural crops.

In animal husbandry, steps will be taken to develop new species and lines in agricultural animals and poultry, which most completely conform to the conditions of maintenance on industrial-type animal and poultry farms. In this regard the purposeful creation and reciprocal use of breed stocks for the best species of livestock and poultry will be organized on an international scale.

An agreement which was signed by the interested CEMA member countries and which is already in effect is the one pertaining to the multilateral international specialization and reciprocal use of breed stocks to develop herds of spotted-black species of cattle. Work is being carried out to extend the terms of this agreement to other species of cattle intended for dairy and combined use. The work plan for the CEMA Permanent Commission on Agriculture for 1979-1980 stipulates the consideration of draft versions of agreements dealing with multilateral international specialization and the reciprocal use of breed stocks for cattle intended for meat purposes, the best species of hogs for the needs of hybridization, and species of sheep for the purpose of increasing their meat and wool productivity. The preparation of an agreement concerning the creation of an International Center of Poultry Growing is under way.

The program reflects the major measures to develop the material-technical base of agriculture. For example, with the aim of meeting the needs of agriculture for machinery and equipment, it is planned to carry out a coordinated series of specific measures involving cooperation in machine-building. The CEMA member countries intend to concentrate their joint

efforts in expanding the specialization and cooperation with the aim of the accelerated development of the production tractors with a capacity of 150 horsepower or more, with a complete set of agricultural machinery to be used with them, highly productive self-propelled grain-harvesting, potato-harvesting, sugar beet-harvesting, and fodder-harvesting combines, as well as machinery and equipment for animal husbandry. In particular, by means of the jointly created highly productive new-generation machinery, it is planned to increase by a factor of 1.5-2 the labor productivity in harvesting operations in vegetable husbandry.

Cooperation in the field of the chemical industry is directed primarily at the creation of new types of highly concentrated, combined, and complex fertilizers with improved chemical and physical properties; at the best satisfying of the needs of the CEMA member countries for phosphorous fertilizers; at increasing the reciprocal shipments of chemical means of protecting the plants; and at developing the cooperation and specialization of production of chemical and biochemical additives to feeds and fodders. In addition, at the present time the CEMA agencies are preparing agreements dealing with the creation, by the joint efforts of the interested CEMA member countries, of capacities for the production of fodder yeasts and a number of vitamins and other additives. For example, the creation of capacities for the production of 300,000 tons of fodder yeast would make it possible to achieve a considerable reduction in the shortage of protein, and their efficient use would assure the obtaining of an additional 300,000-350,000 tons of pork or 400,000-500,000 tons of poultry a year.

The DTsPS stipulates measures for the development of production and export shipments of sugar, certain types of vegetables and fruit, including citrus fruit, and also cotton in the countries that have at their disposal for these purposes the favorable natural conditions. For example, the interested CEMA countries are developing at the present time a draft version of a general agreement dealing with the comprehensive development of agricultural production and the industrial processing of citrus fruits in the Republic of Cuba. It stipulates the expansion of areas used for citrus plantations, including on irrigated land; the construction of enterprises for the primary commercial processing of fresh fruits, as well as industrial combines for the production of fruit juices and canned fruit; the creation of capacities for the production of packaging materials, and of refrigerated capacities for the storage of fruit. Cooperation in the development of the production of citrus fruits, as well as sugar produced from sugar cane, will aid the further growth and increase the effectiveness of agriculture and the food industry of the Republic of Cuba.

Other measures that will work in the same direction are those that pertain to cooperation in the assimilation of virgin land in Mongolia, by creating new state farms. The corresponding draft versions of the general agreements have already been developed and are being discussed in the CEMA agencies.

#### Food Industry

In the field of the food industry, the DTsPS stipulates the development of cooperation among the CEMA member countries in the following main directions:

-- the increase in the production and the improvement of the quality of the most important food products on the basis of the most complete and most efficient processing of agricultural raw materials, by means of improving the existing technological processes and developing new ones;

-- the organization of specialized production of individual types of food-stuffs with the purpose of the further expansion of their reciprocal shipments;

-- the technical re-equipping of selected branches of the food industry by deepening the specialization of production in food-machinery-building and the creation of new, modern machinery, equipment, and complete technological lines for these branches.

Aimed at the implementation of these main directions are such important measures as:

-- the improvement of the technology and technological processes for the complete processing of meat, including the production of meat articles, ready-to-cook meat products, ready-to-eat dishes, and the use of waste products resulting from such processes;

-- the improvement of the existing technological processes, and the creation of new ones, as well as the technology for industrial fresh-water fish breeding. We have in mind the breeding of highly productive species and hybrids of fish and their reciprocal use in fish breeding; the development of the production of feeds contributing to the rapid growth of the fish, which make it possible to achieve a sharp reduction in the specific expenditure of feeds;

-- the creation and introduction of new technology and technological processes for processing oil-bearing seeds, with the purpose of the additional obtaining and use of the oil contained in them, the vegetable protein, and the other components. In order to resolve this problem it is planned to develop fundamentally new technological processes in the production of oil by the method of direct extraction of the seeds, which will make it possible to increase considerably the production of vegetable oil from one and the same quantity of raw materials;

-- the improvement of the technology and technological processes in the production of sugar from sugar beets. We have in mind the development and introduction of new chemical and physico-chemical methods in production, as well as automated systems for controlling the processes at sugar refineries with the use of computer technology, and also the improvement of the express methods of the complete evaluation of the quality of the raw materials and the automation of settlements with the suppliers;

-- the creation of new technological processes and highly productive

equipment for the completely mechanized and automated enterprises for the storage and processing of fruits and vegetables;

-- the deepening of the specialization of the production of grape wines and wine materials. It is planned to prolong the effective period of the agreement that is currently in force with regard to these questions, which was concluded among the interested CEMA member countries and to expand that agreement.

The program also provides for certain other measures aimed at developing the cooperation of cooperation in the food industry. For example, a draft version has been prepared for an agreement dealing with the cooperation of the interested CEMA member countries in the construction, on the territory of the USSR, of a large-scale plant for the production of citric acid. The carrying out of this measure will make it possible for the participating countries, for the most part, to satisfy their needs for this kind of output and to be freed of the necessity to import it from third countries.

Thus, the entire intercoordinated complex of measures in the field of agriculture and the food industry represents a harmonious program for cooperation, the implementation of which will effectively promote the carrying out of the basic purpose of the economic policy of the communist and workers's parties in the countries in the socialist community -- the further rise in the material and cultural standard of living of the workers.

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## CONSUMER GOODS AND DOMESTIC TRADE

### IMPROVING MANAGEMENT OF TRADE AND CONSUMER SERVICES

Moscow PRAVDA in Russian 18 Mar 79 p 2

[Article by V. Azan, Latvian SSR minister of trade (Riga): "Without Middlemen"]

[Text] The demands made on trade increase with each year. And this is predictable. The supply of the stores with the necessary assortment of goods and good service to the customers are important factors in further improving the well-being of the workers.

The Latvian trade network is successfully fulfilling its plans for retail commodity turnover. But our work is far from complete. Improving the structure of the branch administration is a burning problem. And the attention of specialists is now concentrated on it. Naturally, we consider the interests of the population to be the main criterion for the usefulness and expediency of organizational innovations.

We know the great importance of well arranged communications between wholesale and retail for the efficient and rapid movement of commodities to the consumers. This was convincingly shown in the article entitled "The Road to the Consumer" (PRAVDA, 9 September 1978) by my colleague, the Belorussian SSR minister of trade, N. Moluchko. He noted that the problem is that wholesale organizations are not well directed toward achieving final results--offering the population products that are in great demand. Economically, they are interested mainly in increasing the volume of wholesale commodity turnover. As a result, many unmarketable, poor-quality items appear on the counters, there are excessive transshipments of goods, warehouse facilities are poorly utilized and the maneuvering of supplies is impeded.

Belorussia found a solution. They decided to abolish the Republic wholesale trade offices and transfer their functions directly to the ministry. Thus all questions of supply for the population will be resolved more comprehensively. Of course such a restructuring of the administrative system is impossible without specialization and concentration of the enterprises,

without the creation of associations. In other words, it must be preceded by serious organizational measures that motivate the collectives and managers of subdivisions to have greater concern for full satisfaction of the consumer demands.

We have also done a certain amount in this respect. Thus the wholesale distribution of meat, milk, and meat and dairy products is handled by the Latvian RSR Ministry of the Meat and Dairy Industry and fish products-- by the Zaporozhye administration of the USSR Ministry of the Fish Industry. Their enterprises have direct communications with trade points. And this is very convenient: There is no longer a need for additional transshipment points or refrigeration capacities; the products arrive at the stores much more rapidly and in better condition. This work is now being continued.

An important experiment is being conducted in the health resort city of Jurmala. Until recently eight independent autonomously financed enterprises engaged in trade in industrial and food products and public catering here. This is now done by three specialized associations. They have reinforced their links with the suppliers and continuously sell an adequate assortment of products.

Two trade organizations in Riga merged recently. One of them prepared, processed and stored vegetables, fruits and potatoes while the other sold them. On the basis of them a wholesale-retail association was created. The change in the administrative structure will make it possible to increase commodity turnover, to reduce the numbers of people employed on the administrative staff and to reduce turnover expenditures by 110,000 rubles. Under the new conditions it will be possible to delineate and concretize the duties of the workers better and to utilize warehouse facilities, equipment and transportation more efficiently.

The elimination of parallelism has essentially only begun. But we are already convinced that this important work must be carried out on a broad scale. After all, this is an urgent demand of the times. For example, one cannot reconcile oneself to the fact that in two industrial trade organizations of Riga a good deal of effort and money is disbursed because of duplication in the sale of goods of a similar assortment. Subdivisions should specialize: one in the trade, say, in sporting goods and jewelry items and another in haberdashery, perfumes and knitwear. Incidentally, such a scheme was envisioned by the general scheme for trade administration in the Republic. Its goal is significant improvement in the art of service to the population in specialized stores and expansion of the assortment of goods.

A no less important reserve lies in improving commission and resale trade. It is now disbursed among various trading points which, of course, retards progress. The same thing can be said about the sale of passenger automobiles. Zhiquiri automobiles are now being offered to the consumers by special automotive centers of VAZ, Volga, Moskvichi and Zaporozhtsy-- enterprises of the Ministry of Trade and the consumers' union of Latvia.

A considerable number of spare parts are sold by organizations of Avtoservis of the Ministry of the Automotive Industry. What we see is a dispersion of forces and funds which impedes the development of the material and technical base as well as fuller satisfaction of the growing demands of the workers. I am confident that the situation would improve if the sales of all passenger automobiles were handled only by the Ministry of the Automotive Industry. With time, it seems, that will be the case here: Interested parties in the Republic have supported the proposal.

When improving the organizational structure of the branch we sometimes not only combine, but also break down certain organizations. I shall give an example. In Riga there are already six administrative regions but they have been served in the old way by three rayon food trade centers and as many public catering trusts. The situation that arose was clearly not normal: The subdivisions grew immoderately and became practically uncontrollable. In the interests of improving the matter certain of them have now been divided and the results, of course, were not slow in appearing: There was greater control and more assistance on the part of party and Soviet agencies, which had a favorable effect on the efficiency and the quality of the service.

Efforts of improving control are closely related to problems of further improvement in the technical supply for enterprises, the utilization of modern technology and scientific organization of labor. So far the solution to the problem is being seriously impeded. Collectives who develop and introduce such innovations are small and their efforts are sometimes not concentrated on the main directions of the branch's development. Therefore it was decided to create a planning and technological institute under the Republic Ministry of Trade. Its base will be the presently operating laboratory for scientific organization of labor and scientific and technical information, planning estimate offices and a number of other organizations. The institute will be responsible for comprehensive improvement of trade processes.

Reliable assistance to practical workers and scientists of the branch will be provided by the Lattorgtekhnoborudovaniye association where personnel and the material base of the Lattorgtekhnika combine and the Lattorgoborudovaniye association are concentrated.

One of our primary tasks is extensive mechanization of loading and unloading operations. Now the annual volume of processed cargo exceeds 2.5 million tons. We can no longer do without container shipments and the utilization of packaging equipment everywhere. In order to accelerate the matter the Latvian SSR Council of Ministers has set the corresponding assignments for a number of ministries and departments.

At the same time measures are being taken for introducing branch automated control systems. A building has been constructed for the information

computer center, electronic computers and punch card devices are being used evermore extensively and an automated control system is functioning for a number of wholesale and retail organizations.

In keeping with the general administrative scheme, in particular we intend to organize the Mebel' wholesale-retail association, dispatcher services and a unified expediting-transportation service for all wholesale bases.

As we can see, there is much to do. This is very important and extremely necessary work. Further improvement in the quality and the art of service to the customers depends precisely on it.

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## CONSUMER GOODS AND DOMESTIC TRADE

### STATISTICS ON CONSUMER SERVICES

Moscow PRAVDA L. Russian 18 Mar 79 p 2

[Article: "Creating Conveniences for the People"]

[Text] The Communist Party and the Soviet State, concerned about further improved well-being of our people, attach great significance to the activity of all areas of this sphere of service and are exerting great efforts to accelerate its development. The way the service to the population is expanding and improving and the way the army of almost 6 million consumer service and city management workers are working are shown by the facts and figures published today.

During the past 10-12 years consumer services have become a large mechanized branch of the national economy. From 1966 through 1978, more than 4.5 billion rubles have been invested in the construction and reconstruction of its enterprises.

The number of consumer service enterprises has increased from 192,900 in 1965 to 265,700 in 1978. There are now about 110,000 of them operating in rural areas.

During the same period of time the volume of services offered to the country's population has increased more than 4.3-fold. In a number of Union republics this indicator is even higher: in Uzbekistan--7.4-fold, Kirgizia--5.7-fold and Armenia--5.4 fold.

The collective urban housing fund in the USSR amounts to 1.574 billion square meters of usable area. This is almost a 6-fold increase over 1940.

The rent for apartments in the Soviet Union, which is the lowest in the world, has not changed for more than 50 years. Each year the State spends about 8 billion rubles on maintaining housing and municipal services.

Public transportation has been further developed. Tram, streetcar and bus lines have been constructed in more than 2,200 cities and workers' settlements. Subways operate in seven of the country's large centers. In 1978 about 50 million passengers were transported on all kinds of public urban transportation.

## CONSUMER GOODS AND DOMESTIC TRADE

### GUARANTEES ON CONSUMER GOODS

Moscow KHOZYAYSTVO I PRAVO in Russian No 3, Mar 79 pp 23-27

[Article by V. Voronin, candidate of economic sciences: "A Real Guarantee of Product Quality for the Consumer"]

[Text] The stores are evermore frequently offering the customers items with improved features and items that are principally new with increased comfort which 10-15 years ago were quite unknown to the consumer. And it is natural that the consumers' main demands are primarily for product quality and the capacity of the items to operate dependably for a long period of time.

In the provisions concerning the deliveries of consumer goods, quality is understood to mean "reliability and durability, the correspondence of the produced products to state standards, technical specifications and norms (standards)." The All-Union State Standards and Technical Specifications establish guarantee periods for goods and make precise the minimum time of reliable operation of the object. That is, the guarantee periods will serve to make more precise such quality indicators as reliability and durability of performance (operation).

In the majority of cases the consumer cannot fully determine or comprehensively evaluate the quality of operation of goods or their reliability, especially with complicated items. Therefore the enterprise indicates the minimum time period for their normal operations on which the consumers have a right to depend. And the enterprise must not gain any kinds of economic advantages from this.

This requirement is observed in producing and selling a number of goods: leather and rubber footwear, hardware, office and business goods, and so forth. But the enterprises create certain advantages for themselves in handling the majority of goods for which guarantee periods are established. The enterprise represents the specification of the guarantee period as something new which cannot or should not be expected with an ordinary item,

that is, as additional conveniences for the customer. This is also the justification for including in the planned production cost the average norm of additional expenditures for repair during the guarantee period.

But it follows from this that all the basic expenditures on the production of the goods do not provide the consumer with a guarantee of normal operation of the object he has acquired. It means that the level of organization of the production of the goods in this case is not high enough to ensure the output of products in keeping with the All-Union State Standards. But such a situation cannot exist with normal organization of labor since in the production process with the utilization of normal expenditures, the items that are produced should be of high quality. Consequently, to include in the planned production cost additional expenditures for repair during the guarantee period will serve as a source of additional nonplanned income for the enterprise.

This is also shown by the different understandings of the term "guarantee period" by the consumers and the manufacturers. The owners of the items that are required understand this term to mean a guarantee of reliable operation of the item throughout the entire established period. And many items actually serve reliably for a long period of time. But still, a significant number of goods for which a guarantee has been established do not justify the hope of the consumers and cause them a great deal of trouble.

And the manufacturers understand the guaranteed period to mean a commitment to pay the consumer service enterprises for the repair of the items. And they represent this repair to be "gratis" even though the consumer has actually paid for it beforehand (the cost of the guaranteed repair is included in the planned production cost of the item and this means also in its retail price).

Another thing follows from this. If it is assumed that all items of any enterprise will be repaired during the time of the guarantee, even then the manufacturer will not sustain any losses. Let us assume that the reimbursement for the losses from poor-quality operation of the enterprise should be made by the enterprise itself. It is precisely in this case that the principles of autonomous financing will be observed.

Moreover, the unfair substitution of a guarantee of repair for a guarantee of quality causes the consumer additional trouble. In the first place, the guaranteed repair is handled by the consumer and throughout the entire period when the item is being repaired he cannot use it. In the second place, stops for guaranteed repair operate only during the working day. The owner of an item which requires repair must ask for time off from work, frequently an entire working day, that is, he must be absent at his own expense. And this means losses in earnings. And a certain amount of harm is also caused to the enterprise at which the owner of the item works.

Thus, organizations of the Voronezhrembyttekhnika alone took about 20,000 orders for repair and service of refrigerators and washing machines in 1977. This amounted to the loss of more than 137,000 man-hours of working time in the economy of Voronezhskaya Oblast.

After two or three repair jobs during the course of the guarantee period, according to the standard rules for exchanging industrial goods, the owner has the right to have the item replaced or to have the money he paid for it returned. Unfortunately, with the increased output and sales of goods to the population there is also an increase in the number of items that must be replaced. Thus, in the Voronezhbytradiotekhnika association in the first quarter of 1978 as compared to the first quarter of 1977, the requests for the replacement of tape recorders increased by 60 percent, black-and-white television sets--15 percent, and color television sets--80 percent. This was brought about primarily by the desire of the manufacturing enterprises to increase the volume of output and sales of goods without sufficiently providing for their quality and frequently with deviations from All-Union State Standards which are difficult to discover in the trade network.

For example, according to data from an inspection of the USSR State Standard, only 4 of the 38 models of washing machines are distinguished by high quality and meet modern requirements and only two (Riga-13 and Auriaka-70) meet all requirements of normative technical documentation. The Kama-5 does not operate with a normal load of washing. Washing machines of the Zhdanov plant do not operate when there is a change in voltage in the electric power network of  $\pm 10$  per cent. Such a drop in voltage is allowed by the All-Union State Standard and it should have no effect on the operation of electric appliances.

The very procedure of obtaining a certificate and exchanging the item (obtaining money) in the store is fairly lengthy and unpleasant. Having obtained a certificate from one of the shops of the oblast household and radio equipment association for the exchange, for example, of a television set, the owner must go to the consumer services administration in order to have the local engineer approve it and place a stamp on it. It sometimes happens that there is nobody to sign it there and then it is necessary to go another time. After this, one can take the item to the store. And if there is a commodity researcher there the equipment can be turned over immediately. Having obtained the necessary documents, the owner must go to the office of the trade organization that has jurisdiction over the store. In the bookkeeping office they write out an expenditure order and it must be signed by the management. After that, it is necessary to return to the store and obtain the money for the item that has been returned. But not in the morning or in the evening because the store might not have the necessary amount of money at those times.

\* Kriukov, B., "Washing Machines Must Be Better," KOMMERCHESKIY VESTNIK, 1978, No 12, p 17.

In the final analysis, under favorable conditions, one can manage to document the return of an item in one day. But not on Saturday since the organizations that approve and fill out the documents for the return of items do not work on that day. And it must be said that these organizations do not exercise any kind of control over the observance of existing provisions for exchange and they approve and issue new documents only on the basis of primary documents that are drawn up in the shops of the oblast repair service and in the stores. Thus, these organizational levels only make it more difficult for the consumer to return poor-quality goods.

The policy for exchanges is outlined in detail only for those goods that are listed in point 1 of the standard rules for exchange (radio equipment, electric instruments and machines, watches, photographic and movie goods, musical instruments, automotive equipment). These items come with a certificate (guarantee coupon) and the shops for guaranteed repair issue certificates for their exchange. But there is also a large number of goods with established guaranteed service periods for which certificates and guarantee coupons are not issued. The enterprises do not conclude agreements with consumer service shops for their guaranteed repair and they are not listed in the standard rules for exchange (automobile tires, hardware and so forth). It is not always possible to obtain the decision from the bureau of commodity experts that is necessary for their exchange and the manufacturing enterprises do not always recognize these decisions. Frequently, their value is less than 10 rubles and the arbitration board does not consider disputes concerning them, which means that all expenditures are made by the store. Frequently, the consumer of the goods also turns out to be the loser.

Many enterprises, blaming so-called objective difficulties, try to avoid concluding agreements with consumer service shops for guaranteed repair of items. This pertains to enterprises that produce motorized equipment, firearms for hunting, air purifiers, conditioners, electronic computer equipment and several other items. Because of the absence of an agreement for guaranteed service (the bureaus of commodity experts do not take on the responsibility of making a decision about the cause of the malfunctioning of these items), the stores must accept them from the customers conditionally and send them to a plant which is frequently thousands of kilometers away in order to obtain a decision about the nature of the malfunctions and replacement. And only after a new item has come from the plant can the consumer take advantage of his right to exchange it. And he frequently has to wait months.

But even agreements concluded between the manufacturing enterprises and consumer service shops do not always guarantee the consumers the possibility of guaranteed repair. This pertains especially to goods for which the demand is not fully satisfied. Thus, for example, even in the oblast centers

it is practically impossible to have repairs made on the Polet self-winding watch with a calendar from the 1st Moscow Watch Plant, the Slava watch with a double calendar from the 2nd Moscow Watch Plant and several others. The main reason is that there are no spare parts, including such simple ones as the winding head, the second hand, gear wheels and so forth. But even though during the period of guaranteed repair these watches can be returned to the store (although the customer does not always try to do this), after this period has expired they become an unneeded item. Therefore the problem of providing the shops with spare parts is one of the most crucial. Unless it is resolved it is impossible to fully guarantee normal operation of the items.

On the day following the expiration of the guarantee period the owner of the item immediately loses all advantages and becomes a petitioner: He no longer has any rights to make demands on the manufacturing enterprises or the consumer service shops. He can go to the latter only with requests and, if the repair is refused because of a lack of spare parts, he must wait and periodically inquire at the shops: Items are accepted for repair only if spare parts are available.

In order to create certain conveniences for the owners of items for which the guarantee periods have expired, consumer service enterprises are introducing subscription service. The owner obtains a subscription for a year and if there are any malfunctions in the instrument they are eliminated without additional cost. This provision applies not only to repair work, but also to the replacement of individual parts and components that have ceased to operate correctly. And this is nothing other than guaranteed service or insurance of high-quality operation of the item during the year which is provided in exchange for a certain moderate payment. And it differs from the guarantee of the industrial enterprise only in that the owner voluntarily makes these payments.

Here one should take into account the fact that while the cost of guaranteed and subscription service is the same for the owner, it is not the same for the manufacturing enterprise or the consumer service shop. In the first place, the latter gives subscription (guaranteed) service not only for comparatively new items, but also for items that have been in use for a long time (up to 10 years). In the second place, the shops replace all parts at their own expense while with guaranteed service, for example, the picture tube of a television set is replaced at the expense of the manufacturer. In the third place, with subscription service a preventive inspection is conducted quarterly and, if necessary, also preventive repair, which does not exist during the guaranteed period. That is, with identical expenditures for the owner of the item the consumer service enterprise renders more services and bears greater expenditures than does the enterprise that manufactured the product. The difference in the

economic interests of the manufacturers and consumer service enterprises is manifested here: For the former, the collection of money from the customer for guaranteed service is guaranteed while the latter must show the advantages of subscription service.

In general, economic interests play no small role in the system of guaranteeing quality, which sometimes leads to undesirable consequences for the customer. For example, for Elektronika watches that are produced in Moscow, the manufacturer has introduced a progressive form of guaranteed service which is based on replacing blocks that have begun to malfunction. As a result, with a low cost of guaranteed repair (1 ruble 30 kopecks) the speed of repair has increased sharply. At the same time, with the similar Tranzistor watches produced in Minsk, the manufacturer prefers to restore integral blocks locally. The cost of guaranteed repair increases almost 4-fold in this case and the time periods for it are significantly prolonged, which creates certain inconveniences for the customer. And the Lenremchash plant completely refuses to conclude an agreement for guaranteed service of Elektronika watches, justifying its refusal by the assertion that repair is so inexpensive.

Unfortunately, because of immediate economic advantages the rules for the sale of technically complicated items are not always observed in trade either. In particular, the provisions for the policy under which enterprises carry out technical preparation of color television sets (color television compulsory presale technical servicing in trade organizations (turning them on, adjusting them and operating them for a certain period of time) and the appropriate remarks are to be made (a sticker is attached to the packaging). It is forbidden to sell color television sets without this kind of service. The goal of this is to create for the consumer an effective guarantee of the quality of the operation of the television set from the first day. These expenditures are paid for by the consumer service trade enterprises and they are reimbursed by the manufacturers. But these additional financial operations are undesirable for trade since they are in debt at the end of the month. Therefore, trade organizations refrain from concluding agreements with consumer service enterprises for technical preparation of color television sets for sale and they sell them without this preparation. As a result, in Voronezh in only one year 2,032 color television sets were given technical servicing in the home. The consumers expended 16,256 man-hours waiting for the television repairman.

Thus, providing a guarantee of quality for the consumers of goods became a complex problem long ago. And, in order to resolve it, it is necessary to do at least the following.

1. The planned cost of guaranteed repair which is included in the production cost of the item as a source of income not engendered by the production process must be fully transferred into budget income. The cost of repair during the course of the guaranteed period of service should

be included in the additional expenditures of the manufacturing enterprise and not in the planned expenditures. And reimbursement for expenditures to consumer service enterprises should continue to be made under the previous policy. In this case the manufacturers will be motivated to increase the actual reliability of their items.

2. Experience in making the corresponding industrial ministries responsible for organizing guaranteed or postguarantee service of technically complicated items (automotive service, work in television and radio repair shops) has shown its great effectiveness. Now many industrial enterprises are taking on the responsibility for servicing the products they produce (true, on a territory limited to one or several oblasts). Moreover, under the conditions of the high rates of development and improvement in technically complicated items and the appearance of principally new instruments and equipment, it is extremely questionable to leave the general leadership of the organization of their repair in the hands of nonspecialists. After all, the positions of head engineers in consumer service administrations are occupied by specialists in the organization of individual tailoring of clothing, the manufacture of knitted fabrics, bath and laundry enterprises and so forth.

Therefore, it would be expedient to consider the question of returning or transferring to industrial ministries those organizations for servicing such technically complicated items of mass consumption as radio goods, television sets, watches, refrigerators and washing machines. This would also contribute to increasing the responsibility of industrial ministries for the creation of reliable guarantees of the quality of their products, to distributing more efficiently the spare parts and items that are necessary for repair and to increasing the efficiency of guaranteed and postguarantee repair.

3. It is also necessary to refine and concretize the standard rules for the exchange of industrial goods so that they apply to those items with guaranteed periods of quality which are not indicated in the list. At the same time the very process of exchanging poor-quality goods that have not lasted for the guaranteed periods of operation should be simplified for the owners and reduced to a minimum. The main functions for organizing the filling out of all documentation should be the responsibility of the consumer service and trade enterprises.

4. The introduction of progressive forms of service that guarantee normal operation of the items should not lead to an increase in expenditures for their owners or manufacturers. The only result of the improvement should be to economize on money, materials and time of service and to increase reliability.

RIGHT: Izdatel'stvo "Ekonomika", "Khozyaystvo i pravo", 1979

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## CONSUMER GOODS AND DOMESTIC TRADE

TARASOV, USSR MINISTER OF LIGHT INDUSTRY, ON SHORTAGE OF COTTON GARMENTS

Moscow IZVESTIYA in Russian 31 May 79 p 2

[Article by N. Tarasov, USSR minister of light industry: "Shortage"]

[Text] Before responding to the questions and suggestions of IZVESTIYA readers, I would like to make a couple of remarks that came to me after becoming familiar with the extensive and very interesting editorial mail. Letters from workers for employees of the USSR Ministry of Light Industry have long been a kind of "barometer" that shows the degree to which the market is supplied with various consumer goods. They quite precisely note the items for whose output the needle points to "clear" and for which it points to "cloudy." Therefore our ministry always approaches the consideration of these letters and the resolution of the problems raised by them with the most unwavering attention and a high degree of responsibility. Only a couple of days ago there was a special meeting of the board at which it considered letters that had come to the ministry from workers. They actually differ little from those which the IZVESTIYA editorial staff showed me.

If one is to speak about the content of the letters one must first of all note the great civic pride of the writers, their objectivity and their concern not for their own well-being, but for improved well-being of all the people. One cannot but be gratified by the fact that the majority of readers consider the shortage of individual goods to be a temporary phenomenon and suggest ways to eliminate it. Readers from Bashkiriya, T. Rokhлина and Ye. Zasnovskaya also take note of the achievements of light industry workers in carrying out the tasks for improving the well-being of the Soviet people that were set by the 25th CPSU Congress.

And now, as a reader from Khar'kov, G. Mishelevskaya, requests, I shall try to answer candidly the readers' questions regarding the shortcomings in the sales of various kinds of consumer goods. In almost all the letters the writers ask why trade does not have enough of certain kinds of cotton fabrics, socks and stockings, children's clothing and other items made of cotton. Additionally, in the majority of cases the writers of the letters think that cotton items have been replaced by synthetics. At least this is what comrades A. Kurtasov from Frunze, S. Mikhaylin from Novosibirsk, I. Skrabis from Krasnodar and many others think.

And there is a grain of truth in their judgments. After all, decades ago when synthetic items became fashionable industry actually did sharply increase their output. But let us take a specific example--the development of the cotton fabric industry. Can one really say that not enough attention has been devoted to this branch?

During the years of the Ninth Five-Year Plan the production of cotton fabrics increased by 462 million square meters and now our country produces considerably more cotton fabrics than any highly industrial capitalist state, including the United States and Japan together. But it has turned out that this is not enough. Last year about 7 billion square meters of this fabric were manufactured, that is, more than 26 square meters per capita. But still, as the readers write, it is not easy to purchase calico, sateen, and several other kinds of cotton fabrics.

Serious difficulties had to be overcome in the knitwear branch. A large quantity of equipment was replaced when it changed over to synthetics. The sharply increased demand for knitwear and hosiery items made of cotton yarn made it necessary to restructure the industry; the installation of new equipment which machine builders are just beginning to assimilate, the introduction of modern technological processes for the new assortment and the change over to a three-shift work schedule.

A similar situation with respect to the output of individual light industry items which are in great demand arose in other branches of industry. General Secretary of the CPSU Central Committee, Chairman of the Presidium of the USSR Supreme Soviet, Comrade L. I. Brezhnev has repeatedly pointed out the need for the most rapid satisfaction of the demand for goods that are in short supply. The party and government adopted a special decree concerning the development of the consumer goods industry in 1976-1980 and measures for improving their quality. On the eve of the international children's year the CPSU Central Committee and the USSR Council of Ministers adopted the decree "On Measures for Increasing the Production of Goods for Children, Improving their Quality and Improving Trade in these Goods."

In implementing the decree of the party and the government, labor collectives of light industry took the necessary measures for considerably increasing the output of consumer goods. In 1979 it was planned to manufacture 7.211 billion square meters of cotton fabrics, which is almost 10 percent more than in 1978. Also the production of calico increased by 24 percent, sateen--by 10.2 percent and underwear fabrics--by 15 percent.

We are also increasing the production of cotton fabrics of the outer garment group which are also used for manufacturing dresses, sarafans, robes, blouses and women's underwear. There is a large demand among the consumers for such fabrics as Raya, Pautinka and Vira of the Trekhgornaya manufakturna, the Lenok and Fuznechik fabrics of the Serpukhov and Kalinin combines, and Intravok and Nezhnost' fabrics of the Finishing Factory imeni Vera Slutskaya. In 1979 it is intended to produce 680.5 million square meters of these fabrics, which is 12.3 percent more than in 1978.

This year it is intended to produce 655 million pieces of cotton underwear made from cotton yarn, including 342 million pieces for children. It is intended to produce 950 million pair of hosiery items made of cotton yarn, including 278 million pair of men's socks and 185 million pair of children's stockings. A program has been developed for further increase in the volumes of production of consumer goods for 1980 and subsequent years. Capacities for producing cotton yarns and fabrics as well as items made from them will be created at accelerated rates.

The readers G. Silko-Silkovich from Donetskaya Oblast, A. Tashnozarova from Magadan and several others think that in the drive for synthetics certain enterprises are reducing the output of inexpensive cotton items and thus are creating, on the one hand, the appearance of good indicators in their work and, on the other, a shortage. And they say there is no control over actions like these.

This, of course, is far from the truth. What manipulations of the plan can the combine director turn to if his enterprise produces nothing but cotton fabrics? In the sewing branch the plan is established for the enterprise in terms of the normative value of the output, that is, without taking into account the cost of the raw material. Similar planning will soon be introduced in the knitwear branch.

Taking into account the need for maximum satisfaction of the demand for consumer goods, in 1978 the ministry introduced a new policy for accounting for the fulfillment of the volume of products sold, taking into account the fulfillment of assignments and commitments for product deliveries. This policy envisions a certain adjustment in the amounts of the material incentive funds of production associations and light industry enterprises depending on their fulfillment of commitments for the deliveries of products and also a reduction in bonuses for engineering and technical personnel and employees in the event of underfulfillment of the plan for deliveries in the group assortment which is coordinated with the USSR Gosplan and the USSR Ministry of Trade. Thus in 1978 for the USSR Ministry of Light Industry as a whole the material incentive fund was reduced by 1.8 percent of the planned sum of the fund because of the failure to fulfill this indicator.

In order to increase the responsibility of managers of enterprises for fulfilling deliveries of products according to agreements, maximum percentages of shortages of products have been established whereby all or part of the bonuses for management personnel are not paid.

Of the 1,700 enterprises of our ministry's system that were investigated in 1978, managers of almost 600 enterprises were deprived of all of their bonuses for failure to fulfill the main indicators of the conditions for awarding bonuses and the managers of 700 enterprises were deprived of part of their bonuses.

It should be noted that in the ministry's system there are a number of privileges for collectives of enterprises that produce goods that are in mass demand. Thus for the output of new goods with improved quality that have the index N an increment to the price has been introduced and up to 15 percent of this additional payment is used for bonuses for the enterprise's workers. One can say that we have created a mechanism which provides for increasing the responsibility of the enterprises for the fulfillment of trade orders and for the observance of contractual disciplines and encourages initiative in producing goods that are in great demand. Our task is to ensure the effectiveness of this mechanism. The solution to this problem depends to no small degree on the subcontractors as well--the suppliers of agricultural raw material, chemical fibers and threads, dyes, auxiliary textile substances and other materials.

The readers A. Karakis from Odessa, A. Malykh from Maykop, B. Berezovskiy from Kremenchug and many others think that one of the main reasons for the prolonged shortage of individual items is the unconscientious attitude of certain citizens who try if they can to buy as much as possible, especially goods like these which, as a rule, are very inexpensive. "And even if industry provides for the satisfaction of the demand and the fulfillment of trade orders," writes reader M. Gorelik from Podmoskov'ye, "when there are such abuses the shortage will remain."

The reader is right. According to the plan for 1979 the trade demand for such goods made of cotton yarn as underwear items was satisfied by 73.8 percent, including children's underwear--by 85 percent, outer knitwear--by 63.6 percent, and hosiery items--by 92 percent, including women's stockings--by 77.4 percent and children's stockings--by 80 percent.

And industry is still not fully satisfying the demand for these items. Or, in other words, the demand is being satisfied but only for 7-9 out of 10 consumers. So, as the readers write, why are there none of these goods at all in stores of Moscow or other cities? They practically never appear on the counters. This, as they say, is the question....

In this regard, one should discuss another group of letters from readers. Comrades V. Bakanovskiy from Orsha, S. Yelkin from Kursk, I. Matsagorov from Dzhambul and others suggest raising the prices for cotton fabric and other items. This, in their opinion, will eliminate the shortage for us and at the same time will eliminate all undesirable phenomena both in production and in trade.

I am not a proponent of this solution. For many years now our party and government have been adhering to a policy of firm prices on goods that are necessities. With the constant increase in earnings this is an important factor in improving the well-being of the people. It is a different matter to establish higher prices for the latest fashionable goods as is suggested by Comrade A. Veselitskaya from Leningrad Oblast. But this should be a temporary measure, for as long as these goods are actually innovations.

As for necessities, I side with those readers who suggest the following for eliminating the shortage: Industry should take all necessary measures to satisfy the demand; trade and we too should study the demands better and draw up orders for one item or another more precisely. And then if there is a shortage it is only short-term, for individual goods that are quite new.

In conclusion I wish to support the opinion of the reader V. Sinel'nikov from Kashin who thinks that it is necessary to produce items not only from natural fibers, but also from synthetic ones. Light industry enterprises have assimilated, for example, the manufacture of men's shirts, raincoats and jackets and several other items made of mixed fabrics. They are all in great demand and we annually increase their output. Outerwear made of synthetic raw materials--and there is a great diversity of them--have high resistance to wear and, as a rule, they are attractive, elegant and easy to care for; they do not wrinkle and they have a number of other good qualities. These items have become a permanent part of many people's wardrobes.

Or take hosiery items. We have now developed and introduced technology for manufacturing children's stockings and men's socks out of cotton yarn combined with elastic. The resistance to wear and tear of these items is twice as great, they are more comfortable to wear and they retain all of the properties of cotton items. I think that in cooperation with chemists we will create many other high-quality goods made of natural raw materials mixed with synthetics.

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## CONSUMER GOODS AND DOMESTIC TRADE

### PROBLEMS WITH TRADE IN RURAL AREAS OUTLINED

Ashkhabad TURKMENSKAYA ISKRA in Russian 25 May 79 p 2

Article by Dzn. Kurbanov, chairman of the department of trade, planning and financial organs of the Central Committee of the Turkmenistan Communist Party: "Increasing the Level of Trade in the Village"

Text Today the 25th Congress of Representatives of the republic consumer cooperative gets underway. It is taking place in a situation when workers of Soviet Turkmenistan, along with all Soviet people, are struggling for the successful fulfillment of state plans and socialist obligations for the fourth year of the Tenth Five-Year Plan.

Within the period following the 24th Congress of Representatives of the republic consumer cooperative, our republic has achieved significant successes in the development of the economy, science and culture, and in raising the well-being of the people. The workers of the state and republic cooperative commerce have made their contribution to these successes.

The cooperative organizations of Turkmenistan have accomplished much in providing service to rural workers. The goods-turnover of the consumer cooperative is developing at high rates. Within three years of the current five-year plan goods-turnover has increased by 19.1 percent. The population has purchased 16.4 million rubles worth of goods in excess of the plan.

From year to year the amount of goods to be sold to the rural population is increasing. The structure of retail goods-turnover is improving due to the increase in consumption of more high-quality food stuffs, the growth in sales of light industry goods and particularly cultural and domestic goods and goods for household use: refrigerators, washing machines, sewing and other machines, furniture, rugs and rug articles, including souvenirs, motorcycles and passenger cars.

The growth in the material well-being of the people is also seen in the extensive development in the village of individual housing construction. The sale of construction materials to rural workers of the republic during the period under consideration increased 1.4-fold. Our cooperative workers

are annually selling almost five million books to the population.

In trade service for the rural population extensive use is being made of such progressive sales methods as self-service. Self-service has already been adopted in 95 percent of the stores in the village. The network of dining facilities, restaurants and cafes has been significantly enlarged in recent years. The republic's cooperative workers have been the initiators in organizing inter-kolkhoz points for preparing meals and for delivering hot food directly to field camps during field work.

The production base of the consumer cooperative has received significant development. Many new bread-making plants and shops for baking our national bread have been put into operation; the facilities for producing juices and non-alcoholic beverages, pastries, smoked fish, canned and other products have been increased.

Four years ago the Bayram-Ali regional cooperative society organized its new regional food combine. During this short period of time it has achieved great successes. Last year it produced and sold 700,000 rubles worth of lemonade, carbonated beverages, toffee, Turkish delight, caramel, kozinak and other products. If other cooperative societies had supported this initiative, it would have been possible to have produced more than 10 million rubles worth of additional product.

In 1977 at the leading cooperatives of Tashauz and Mariyskoye oblasts a good initiative came into being - the fattening of cattle. The cooperatives of the Il'yaly, Tawta, Kunya-Urgench, Bayram-Ali, Ioltan' and Sakar-Chaga rayons were the initiator of this program. It was necessary that this important state undertaking be supported by all cooperatives of the republic.

The development of trade at the commission store level was important for improving the supplying of food stuffs to the population. In recent years much work has been done in building new commission stores and warehouses and in the organizational strengthening of city and regional cooperative trade. This has somewhat revived purchases from the population of surplus agricultural products and their sale to the population in cities and settlements. Within three years of the current five-year plan the sale of agricultural products, purchased from the population, has increased in comparison with the same period of the Ninth Five-Year Plan by 13 million rubles.

The consumer cooperative is doing a lot of work in strengthening the material-technical base of trade, production and procurements. Within three years of the Tenth Five-Year Plan 27 million rubles in capital investments have been assimilated and 26.2 million rubles worth of fixed assets have been put into operation. Trade centers, large wholesale bases, refrigeration facilities and vegetable storage facilities have been built in Kunya-Urgench, Murgab and Sakar-Chaga.

At the same time there are serious shortcomings in the work of the republic consumer cooperative. Over a period of several years one-fifth of the trade enterprises of the consumer cooperative have not fulfilled their plans for goods-turnover. For example, in 1978 228 enterprises did not fulfill the plan. They undersupplied the population with goods amounting to almost five million rubles.

The basic reason of not fulfilling plans are shortcomings in the organization of trade. Many trade enterprises in the village are closed for long periods of time for repair work and for taking inventory. Often rural stores do not have the most essential goods on sale, which are plentiful at bases and in warehouses of the consumer societies. There are serious shortcomings in the quality of service to the population: many stores and dining facilities are neglected and crammed full of packaging. There are also incidents of rudeness of trade workers toward customers.

The system of the consumer cooperative of the republic has many opportunities to increase the production of various goods. But the cooperative workers are not making adequate use of these opportunities. In the kolkhozes and sovkhozes flour is sold, but bakeries are not being used at full capacity. Little attention is being given to the production of canned vegetables, non-alcoholic beverages and other consumer goods.

The Central Committee of the Turkmenistan Communist Party and the Turkmenistan government are devoting a great deal of attention to questions of developing public dining. These matters are regularly reviewed by local party and council organs. However, the measures being taken by the local party and council organs for developing public dining in the village are still not providing the desired results. Not all kolkhozes and sovkhozes have public dining enterprises and not all schools have dining halls; and the quality of the food that is prepared does not meet the requirements of the population.

Cooperative organizations of the republic are not making adequate use of the opportunities to purchase from the population and the kolkhozes surplus agricultural products and to organize trade in these commodities. For example, the Aralsnovodsk oblast consumers' union has not organized trade in meat in the cities and regional centers of the oblast.

The development of all branches of the activity of the consumer cooperative permanently requires the further improvement of the work with cooperative members, primarily in their proper selection, placement and training, and the raising of the responsibility of each worker for the results of their labor. Due to the constant assistance of party and council organs of the republic there has recently been an improvement in the qualitative composition of cooperative personnel. More attention is being devoted to strengthening the leading sectors of work with skilled specialists, to raising their business acumen, and to training personnel in the mass professions. More women and young people are being advanced into supervisory work.

Republic party committees are rendering constant assistance to the cooperative organizations. For example, the 'Ioltan', Tashkent, Ashkhabad, Krasnovodsk and other regional committees regularly review questions having to do with trade service to the population, and the selection, placement and training of consumer cooperative personnel. Much is also being done by the primary party organizations at the level of trade enterprises and institutions.

At the same time there are significant gaps in the work with consumer cooperative personnel. High exactingness and adherence to principle are not always observed in selecting personnel. Poor workers who do not have an adequate range of interests, competence and organizational capabilities are sometimes promoted to supervisory positions. Too little concern is shown in staffing leading sectors of work with specialists, such as store managers, and managers of restaurants, dining halls, bakeries and other enterprises.

In many cooperative organizations economic training is poorly organized. Too little work is being done to attract women, especially local nationality women, into trade.

Unfortunately there are still cases of violations of the rules of Soviet trade and various kinds of abuses. The boards of the Turkmenistan Consumers Union, the oblast consumers unions and consumers societies are not taking the necessary steps to eradicate these things. What is more the number of violations of the rules of Soviet trade is increasing rather than decreasing. The primary party organizations of the consumer cooperative must be at the head of the battle with these violations and must uncompromisingly speak out against the abuses.

Concern about the development of trade is concern for the Soviet man. The duty of cooperative trade workers is to honorably and conscientiously fulfill the obligations placed upon them and to raise to a new, higher level trade in the village and on this basis to achieve the unconditional fulfillment of those tasks, which have been placed before the consumer cooperative by the Communist Party and the Soviet government.

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Date: 1974

## CONSUMER GOODS AND DOMESTIC TRADE

### STANDARDIZATION IN PRODUCTION OF CONSUMER GOODS

Moscow EKONOMICHESKAYA GAZETA in Russian No 19, May 79 p 2

Article by I. Motorin, candidate of economic sciences: "Production - Trade - Consumer: The Price of Originality: Standardization and Unification of Consumer Goods"

Text In shops for repairing complicated household appliances (not necessarily only complicated appliances) customers often hear the unpleasant "news": unfortunately we do not have the spare parts to repair your apparatus (instrument).

The reasons behind such a situation, as will not seem strange, are in the broadening of the product list of articles of mass consumption.

Industry is now producing nearly a million consumer goods products, among which there are thousands of products for cultural and domestic use and household use.

The broadening of the product list for the most part is accompanied by a lowering of the assembly line production because it is precisely the use of modern highly-productive technical means that presupposes the raising of its uniformity and massiveness. Otherwise the feasibility of effectively using these means is excluded. The need for broad standardization and unification of articles that are in mass demand causes no one any doubt.

In practice, however, it often is quite the opposite. It is no accident, therefore, that the press contains articles with such beautiful sounding titles as "24 models of an iron" and "is it worth inventing the bicycle?" and other such titles.

The experience of leading enterprises and scientific-research institutes shows that it is completely possible to raise the level of unification of newly created articles to 70-75 percent and even more. Moreover, the time periods and labor intensiveness can be significantly reduced for creating new manufactured articles and types of product, and the assimilation of their production can be reduced to the rapid readjustment of production.

On the other hand, standardization and unification make it possible to sharply increase assembly-line production and massiveness of manufactured articles. It becomes possible to manufacture them by mass-flowline methods with minimal expenditures of labor.

As an example we refer to the experience of the Ministry of Chemical and Petroleum Machine Building, the enterprises of which, as well as of other ministries, are producing consumer goods. The Ministry of Chemical and Petroleum Machine Building is a lead organization in particular for coordination of the production of rolling machines and lids for home canning.

Several years ago 135 of our plants of various ministries were engaged in producing such articles. The unjustified scattering of production among several enterprises led to an obscenely large amount of model sizes of product. Local technical specifications with varying wholesale and retail prices and an "original" in each case production cost were developed and approved for almost every modification. The expenditures of labor and materials were also different.

The Ministry of Chemical and Petroleum Machine Building, using the rights of a lead organization, along with enterprise of other branches of industry on the basis of unification came up with two base modifications of the machines. Unified standards, which are now being used, were approved for them.

On the basis of these two modifications the production of only five model sizes was organized, which made it possible to reduce the number of plants producing them from 135 to 29 with a significant increase in production at each of the remaining plants. As a result within five years the total amount of machine output increased 5-fold. Moreover there was a noticeable improvement in technical-economic indicators. The average production cost of an article was lowered by a factor of 1.2; the service life increased 1.5-fold.

Much is being done to standardize product in the watch industry. Due to this on the basis of twenty designs in the branch more than 1,500 different models of watches are manufactured. And they are all in great demand. Today it is no problem to buy just the watch one wants. The unification and typification of domestic watches have made it possible to more often update the assortment, to solve the question of repair and replacement of mechanisms, to improve the quality, improve the finishing, mounting and appearance. Soviet watches are in great demand not only here but abroad as well, which, unfortunately, cannot be said about other consumer goods. It is thought that one of the reasons for this is that in some ministries and departments there is still not enough work being done to eliminate the differences in sizes of similar goods.

As randomly performed research of industrial enterprises in different branches of heavy industry, which produce consumer goods, show their assimilation according to technical documentation, that was developed centrally through the scientific-research institutes and design bureaus of lead ministries and departments and according to models of the all-union pavillion of the best models of consumer goods of the USSR Ministry of Trade, amounts to less than 10 percent. The remaining (and basic) mass of goods is assimilated according to models that were developed directly at industrial enterprises through the efforts of their specialists, who are often very knowledgeable on very complicated technical articles, but who lack experience in developing models for goods for mass consumption. A multitude of variations of the same kinds of goods come into being. It is unavoidable in this case not to have equipment variations and variations in technical rigging, which are needed for production.

The path that an article travels from its conception to production is at times not easy. In the beginning the plant must choose what it will produce taking into consideration the capabilities of the equipment, the availability of raw materials and materials.

Further there is a need for confidence that the article will be in demand.

Then the necessary documentation is drawn up, which must then be coordinated in the scientific-research institutes and the trade organizations.

Finally, an experimental model is created. After the development of the technical specifications there is again a requirement for coordination and approval. Then the price has to be coordinated and approved and a contract has to made with the trade organization for the production of a specific number of the goods.

Then what happens? The enterprise has prepared to manufacture the new item but there is no market for it: someone has had time to come up with something similar and the market is glutted.

It is obvious that there is a need to coordinate the designs in specialized by specific groups design bureaus, which would then provide the industrial enterprises with technical documentation regardless of their departmental subordination.

It is very expedient to reduce to the maximum the amount of types and models of various articles of mass consumption, and to achieve the utmost unification and standardization of goods that are already in production.

Unfortunately, in many ministries and departments, the enterprises of which along with the basic product are turning out consumer goods, too little work is being done in standardizing manufactured articles. According to data of several plants, the percentage of original articles in the production of consumer goods varies from 85 to 90 percent.

It is thought that in plans for standardization it is necessary to take into consideration not only the more important articles, but all of them in

the aggregate. Moreover, those articles with a level of standardization below what was called for in the plan should not be produced. The material stimulation of workers in the scientific-research institutes, planning and design organizations and enterprises would be helpful for raising the level of standardization of articles that are being created. The problem is that the presently existing system of wages induces the designers to develop new manufactured articles with the greatest number of original parts.

Would it not be more correct to set the wages of designers in direct relationship to the number of standardized parts and units that are incorporated in the plans for new articles, while maintaining, of course, the assigned technical parameters?

In the interests of broadening standardization it is also necessary to improve the system of price forming as well. The present system often motivates the enterprises-manufacturers to create designs with a large number of original parts, since the price for new articles is higher.

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## CONSUMER GOODS AND DOMESTIC TRADE

### MEAT AND DAIRY INDUSTRY MINISTERS REVIEW 1978 RESULTS

Moscow MYASNAYA INDUSTRIYA SSSR in Russian No 4, Apr 79 pp 1-5

[Text] In February 1979, an expanded meeting of the USSR Ministry of Meat and Dairy Industry collegium was held to review 1978 industry work results and the tasks to meet the 1979 plan in light of the November (1978) CPSU Central Committee Plenum decree and the conclusions and instructions presented in speeches by Comrade L. I. Brezhnev, CPSU Central Committee General Secretary and USSR Supreme Soviet Presidium Chairman.

Participating in the collegium's work were ministers of the union republic meat and dairy industries, leaders of industrial and production associations and scientific research and planning-design institutes, responsible officials of the CPSU Central Committee, USSR and RSFSR Councils of Ministers, USSR Gosplan, USSR People's Control Committee, central committees of the food industry workers' trade union, USSR Ministry of Agriculture, USSR Ministry for Procurement, USSR Ministry of Trade and Ministry of Machine Building for Light and Food Industry and Household Appliances, as well as leaders of administrations and departments and leading specialists of the USSR Minmyaso-molprom [Ministry of Meat and Dairy Industry].

USSR Deputy Minister of Meat and Dairy Industry M. K. Barbashin gave a report which noted that 1978 industry work results have already been discussed in the collectives of a majority of the enterprises, production and industrial associations, and union republic ministries of meat and dairy industry, with the extensive involvement of the community and production leaders.

In carrying out steps to implement the resolutions of the 25th CPSU Congress and the December (1977) and July (1978) CPSU Central Committee Plenums and having widely developed socialist competition, the collectives of branch enterprises achieved definite results in 1978 in developing the economy, in strengthening the industry's production-technical base, and in solving a number of social problems.

In spite of difficulties in developing agricultural production and providing industry with raw material, gross output sold was more than 900 million rubles higher, or 2.6 percent, in 1978 than in 1977, and the production of

meat, sausages, meat convenience foods, ZTsM [whole-milk substitutes] and others was increased. The quality of meat and dairy products was improved and their assortment up-dated; work was done to reveal reserves for and promote the economical expenditure of raw and other materials, fuel, energy, labor and financial resources.

Meat resources were increased by 375,000 tons through the more complete and more efficient use of by-products, blood from slaughtered animals, food bone, and plant and animal protein, by increasing end-product yield, and by reducing losses in production and storage. Assignments were met for consumer goods production and for increasing the release of wrapped and packaged output.

The technical level of production was raised. Some 1,200 mechanized flow lines, automatic machines, units and other modern equipment worth a total of 170 million rubles was introduced at industry enterprises. In 1978, some 764.4 million rubles, or 105 percent of the 1977 level, was directed into developing the industry's production-technical base. Seventy industrial enterprises and facilities totalling 205,700  $m^2$  in floorspace and places for 1,960 preschoolers were put into operation.

The ministry's scientific research and planning institutes conducted a series of very important investigations, many of the results being put into production.

At the same time, serious shortcomings have been noted in operation of the industry. The results of production-financial activity both for the industry as a whole and for many union republics and all-union industrial associations were unsatisfactory in 1978 and for the first three years of the 10th Five-Year Plan.

Many enterprises failed to meet the output sales plan, the labor productivity growth plan, the profit plan, and other technical-economic indicators.

In 1976-1978 the total production volume had increased by 14.9 billion rubles, or by 16.4 percent as compared with the first three years of the Ninth Five-Year Plan (1971-1973). However, due to a shortage of raw-material resources, the five-year plan assignment was not met.

Due to the difficult conditions which developed in stockraising, state livestock and poultry purchases in 1978 dropped by 935,000 tons as compared with the plan. A firm plan for sales of livestock to the state was not met by 13,000 kolkhozes and sovkhozes (28 percent of the total), with a shortfall of more than 1.1 million tons.

Analysis of industry work results permits the conclusion that organizational work on maximum involvement of raw material reserves to increase output is not yet at the necessary level in the ministries of meat and dairy industry of the union republics, in production associations and at enterprises. Our

supervision of the efficient use of raw material resources has been unsatisfactory, resulting in a significant amount of livestock and milk above the plan being directed to meet intrafarm needs and for other nonindustrial purposes. In a number of union republics, meat and milk expenditures to meet such needs exceed sales growth for state purchases. The leaders of many enterprises and associations are not paying proper attention to monitoring observance of contractual agreements, resulting in disruptions of agreed-to raw material delivery schedules.

A significant place in the report was given to problems of using raw material and livestock slaughtering by-products and meat and milk processing products efficiently, to scientific and technical progress and raising labor productivity, to further developing the material-technical base, eliminating shortcomings in financial activity, and carrying out social programs.

It was noted that definite work has been done in all union republics to increase meat and milk resources, but not all enterprises are yet making maximum use of protein additives for food purposes.

In 1978, assignments were not met for processing sausage products using category II by-products, food blood and plant raw material, or for marketing food bone to industry, by a number of republics (Georgian SSR, Kirgiz SSR, Azerbaijan SSR, Estonian SSR, RSFSR, and others).

In the Georgian and Armenian SSR's, given growth in meat production, dry animal feed production was not increased, and in the Azerbaijan and Tadzhik SSR's it decreased significantly. In the Moldavian SSR, given six-percent meat production growth, dry animal feed production increased only one percent.

In 1978 only about 13.9 million tons of skinned milk and buttermilk was used in sausage production, or 38.5 percent of resources of those products, as compared with 35.5 percent in 1977.

Industry has considerable losses due to output being in violation of All-Union State Standard requirements and specifications, which led to economic sanctions in a number of cases.

Instances of rejected meat and meat products were noted at a number of meat industry enterprises of Rostovskaya, Voronezhskaya, Lipetskaya, Kurskaya and Orlovskaya oblasts of the RSFSR, Zhitomirskaya and Nikolayevskaya oblasts of the Ukrainian SSR, and at enterprises of the Kazakh, Turkmen and Tadzhik SSR's. The State Trade Inspectorate stopped accepting poultry meat from eight enterprises of the Ukrainian SSR Minmyasomolprom and two of the Uzbek SSR due to violations of technological discipline. This testified to inadequacy in monitoring and exactingness on the part of corresponding services of both union ministry central apparatus and the ministries of the union republics and oblast production associations. Supervision must be strengthened and the personal responsibility of enterprise chief technologists and veterinary-sanitation service workers increased for producing high-quality output.

Labor productivity growth in the industry in 1978 was 1.3 percent, as compared with 3.7 percent planned. The labor productivity growth plan was not met by the minmyasomolpoms of eight union republics, the "Soyuzekluyzhet-inprom" VPO [expansion unknown], and enterprises of the Moldavian, Latvian and Kirgiz SSR's permitted a reduction in labor productivity as compared with 1977.

Worker turnover and losses of working time negatively affect the level of labor productivity. Thus, upwards of 93,000 persons, or 12.2 percent of the total number of workers, departed from the industry in the first half of 1978, and working time losses were 665,000 man-days. Above-plan numbers of workers were systematically observed at enterprises of the Ukraine, Belorussia, Kazakhstan, Azerbaijan, Lithuania, Moldavia and Armenia. An additional roughly 4,000 persons are kept in the industry each day due to losses of working time, which leads to a 0.6 percent reduction in the rate of labor productivity growth. Losses of working time are especially great at enterprises of the RSFSR, Kazakh SSR, Georgian SSR and Azerbaijan SSR.

The report also noted the inadequate contribution of scientific research organizations to solving the very important problem of increasing labor productivity through production mechanization and automation. The departmental plan for creating means of mechanizing loading-unloading work is being met unsatisfactorily.

In spite of the slight rise in profitability, considerable losses are still being permitted by releasing unprofitable output, as, for example, at a number of minmyasomolprom enterprises of the RSFSR, Ukrainian, Georgian, Kirgiz, Lithuanian and Estonian SSR's.

A most important criterion for evaluating the activity of scientific research organizations is the effectiveness of new developments. However, the technical documentation being worked out for new types of output does not always anticipate that they will be profitable.

The report focused attention on supplying meat and dairy products to the national supply. In 1978, there was a shortfall of 293,000 tons of meat products, including 80,000 tons from the RSFSR, 149,000 tons from the Ukraine, 59,000 tons from Kazakhstan and 5,000 tons from Estonia.

The report spoke of progress in introducing the General Plan for Managing the Meat and Dairy Industry, of concentrating and specializing production, and of the necessity of further improving production management.

Attention was also paid to taking effective steps to eliminate above-norm rail car idle time during freight loading and unloading.

Considerable time was given to problems of using capital investments, the utilization plan for 1978 having been met by 102 percent. In spite of that, the plan for putting canned meat and gelatin production capacities, refrigeration facilities and other projects into operation was not met. Of the

92 projects to have been put into operation, 22 were not, including 16 in the RSFSR, three in the Ukraine and two in Belorussia.

Special note should be made of the lag in meeting the plan for increasing production capacity through expanding and retooling existing minmyasomol-prom enterprises in the RSFSR, Ukraine, Kazakhstan and Moldavia.

Construction of housing, vocational-technical schools and children's pre-school institutions has been impermissibly slow in the ministries of meat and dairy industry of the RSFSR, Belorussia, Uzbekistan, Kazakhstan, and the "Soyuzkleyzhelatinprom" VPO.

The RSFSR, Latvian, Lithuanian, Estonian and Moldavian minmyasomolproms did not follow schedules for building purification facilities at existing enterprises.

The 1978 plan for building and installation work using our own construction organizations and by the direct labor method was met.

M. K. Barashin also touched on the features of the state plan for economic and social development of USSR meat and dairy industry for 1979, which anticipates a significant increase in production of the basic types of meat and dairy products except for dairy and meat-vegetable canned goods.

In order to meet the production plan, as compared with 1978, purchases of livestock must be increased by 10 percent. In order to do this, we need first of all to analyze critically the results of industry production-economic activity in 1978, to organize strict supervision of the course of state purchases of livestock and poultry and, jointly with local agricultural organizations, take steps to carry out plans for sales of livestock to the state and to meet delivery schedules for commercial processing.

Work to introduce leading labor methods and the latest achievements of science and engineering into production should be improved in every way possible and the extensive dissemination of leading experience in the efficient use of raw material and economizing on material and fuel-energy resources be facilitated in order to meet the labor productivity growth plan for corresponding services of the union republic ministries of meat and dairy industry, all-union industrial and production associations, as well as scientific research institutes.

Conditions must be created in each production sector so as to prevent the theft of state property, mismanagement, and to radically improve initial accounting and reporting.

Taking part in the debate on M. K. Barashin's report were RSFSR Minister of Meat and Dairy Industry V. S. Konarygin, Ukrainian SSR Minister of Meat and Dairy Industry V. K. Solomakha, Turkmen SSR Minister of Meat and Dairy Industry S. B. Gukasov, USSR Deputy Minister of Meat and Dairy Industry Yu. A. Krokha, Kazakh SSR Minister of Meat and Dairy Industry A. A. Alybayev, Uzbek

SSR Deputy Minister of Meat and Dairy Industry M. A. Abdullayev, food industry workers' trade union central committee secretary S. M. Belyayev, Armenian SSR Minister of Meat and Dairy Industry S. A. Vartanyan, USSR Minmyasomolprom capital construction administration chief A. D. Kharitonov, Azerbaijan SSR Minister of Meat and Dairy Industry A. G. Mamedov and Lithuanian SSR Minister of Meat and Dairy Industry M. V. Boklis, who briefly reported on work results in 1978 and steps planned to carry out the 1979 plan.

In summing up the work results of the collegium, USSR Minister of Meat and Dairy Industry and CPSU Central Committee member S. F. Antonov noted that those speaking paid insufficient attention to implementation of the five-year plan and stressed that the top-priority task of industry workers is to make a maximum effort to reach the frontiers of the 10th Five-Year Plan.

S. F. Antonov proposed that the plan of comprehensive measures submitted on implementing the resolutions of the November (1978) CPSU Central Committee Plenum and the conclusions and instructions presented in the speech by Comrade L. I. Brezhnev, CPSU Central Committee General Secretary and USSR Supreme Soviet Presidium Chairman, at the Plenum be approved.

It is necessary to improve organizational work on saving raw and other materials, labor, financial and fuel-energy resources in every way possible and to increase the role of contractual agreements and so forth.

The decisive direction of industry work in 1979 is the development and implementation of concrete steps to further improve the organization of socialist competition to fulfill and overfulfill the plan and socialist obligations assumed for 1979 by each labor collective in accordance with the resolutions of the July and November (1978) CPSU Central Committee plenums; the initiatives of collectives of Rostovskaya Oblast enterprises to work without laggards should be disseminated everywhere.

More persistent steps should be taken to use protein additives more widely in sausage and canned-goods production, to disseminate more actively the experience of leading production workers and industrial enterprise collectives.

Plan discipline should be strictly followed at all production levels, from raising livestock on the farms to supplying the trade network with finished products in accordance with agreements concluded.

In order to increase the economic effectiveness of production, greater use should be made of machines for cutting meat so as to increase the production of boneless and various other convenience foods, and especially pel'meni, as well as quick-frozen side dishes and culinary items made from poultry meat.

Organizational work must be oriented towards increasing production per unit of raw material processed, towards increasing the return on capital and introducing a comprehensive system of product quality control.

Production growth, expanding the assortment and improving output quality of food for young children are the honored and responsible tasks of industry workers.

Neither can we neglect to increase the production and improve the quality of consumer goods.

Industry has all the reserves necessary to meet the tasks set it. For example, if the proportion of meat convenience foods is raised from 15 to 35 percent of the total meat products output, the output sales volume will be increased by approximately 1.5 billion rubles.

Better use must be made of secondary raw material to produce both food and livestock feed, as well as of endocrine-enzyme raw material for medical industry. Special attention must be paid to using category II by-products for food purposes.

Based on production opportunities and the necessity of increasing the production of output for the population, it would be appropriate to increase the 1979 assignment for economizing meat resources.

S. F. Antonov focused attention on the necessity of accelerating the re-tooling of enterprises, on organizing effective supervision of the introduction of scientific labor organization measures, of freeing workers employed at heavy manual jobs for other work, and ensuring labor productivity growth without increasing the number of workers.

Direct ties between science and production must be expanded. In this regard, the initiative of the "Kompleks" scientific-production association merits approval.

One very important task in industry worker activity is all-around improvement in the effectiveness of capital investments, accelerating the start-up of production capacities and fixed assets, reducing the time involved in reaching planned capacity and technical-economic indicators at start-up enterprises. More attention should be paid to building interfarm shops to produce whole-milk substitutes.

S. F. Antonov said the speech by Comrade L. I. Brezhnev, CPSU Central Committee General Secretary and USSR Supreme Soviet Presidium Chairman, at the November (1978) CPSU Central Committee Plenum and his conclusions and instructions must become a program document in work on implementing the state plan for economic and social development of the meat and dairy industry in 1979 and for the five-year plan as a whole.

The collegium adopted an appropriate resolution on the question under discussion.

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## CONSUMER GOODS AND DOMESTIC TRADE

### MATERIAL STIMULATION NEEDED TO IMPROVE SALE OF VEGETABLES

Moscow PRAVDA in Russian 12 May 79 p 2

[Article by G. Aliyev, R. Guseynov, N. Aliyev, vegetable grower-brigade chief, and G. Gadzhiev, worker, Lenkoran', Azerbaijan SSR: "Remaining Apart"]

[Text] The subtropics of Lenkoran' are properly referred to in our country as the all-union early vegetable garden. We are now faced with shipping 120,000 tons of vegetables to 615 addresses in the RSFSR, Ukraine and other republics; this is 28,000 tons more than we shipped last year.

The labor of vegetable growers is generally rewarding but not easy. There are plenty of things to worry about.

The most crucial time, of course, is the harvest. A sharp eye is needed so as not to overlook an overripe cucumber or tomatoe on its way to the consumer in its own juice, as we say.

The undamaged state of the product depends largely upon the packaging. In the area today we have procured a sufficient number of good boxes - more than 1,200,000 of them.

Still we are concerned about what will happen to the harvest. How many times has it happened that when we go to the city and stop in at the vegetable store and what we see on the counters is barely recognizable as the gifts of our bountiful land - the vegetables are wilted and dulled. Then we learn that this very commercial organization is the acknowledged victor in the competition. One wonders what governs them sometimes when adding up the results of the labor rivalry?

Other facts also disturb us. For example, last year in the field when preparing the next batch of vegetables for shipment, their grade was determined to be 96 percent. The figure was accurate, we are sure of it. But when the vegetables reached Kuybyshev the local merchants gave it a grade of 56 percent. This shows the amount of spoilage that our product experienced in shipping! This means that the transport workers are not

very motivated to see that the vegetables are delivered rapidly and in good condition. The trade organizations do not always act with integrity either. We have the following kinds of data. Last year when shipping vegetables to cities in the north the grade of product laying in the warehouses fell by 1.08 percent every twenty-four hours. But the republic merchants rejected such vegetables considerably more resolutely - every twenty-four hours by 15 percent. Who was right in this case? And is it a normal situation when partners in a common cause "compete" more in writing off product and making claims for replacement than in trying to satisfy the needs of customers?

In our opinion, the need has become imminent to bring together the motivation of agricultural workers, procurement workers, transport workers and trade organization workers so that vegetables reach the customer in the best possible condition. Let's set up a competition between ourselves and introduce some material incentives: having handed over to the procurement workers an excellent product, the agricultural workers receive more. When the procurement and transport workers deliver goods to the counters in good condition let them receive extra money for the quality performance of their work. The same holds for salespersonnel in state stores who manage to sell the product in good time.

We, for example, have concluded contracts with local procurement workers and transport workers. We are pledging to hand over to them an excellent harvest; they in turn pledge to deliver it to the stores in the best possible condition. We call upon others in the chain to continue the competition - from the subtropics to the distant northern cities of the Soviet Union.

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## TRANSPORTATION

### FINANCING OF CAPITAL AND MEDIUM REPAIR OF HIGHWAYS AND ROAD INSTALLATIONS

Moscow DEN'GI I KREDIT in Russian No 9, Sep 78 pp 77-80

[Article: "Questions and Answers"]

[Text] The deputy chief of administration for the issuing of credit for transport and communications of the USSR Gosbank administration, G.T. Pisarev, furnishes answers for questions concerning use of the instruction handed down by the USSR Ministry of Finances and USSR Gosbank regarding the system for financing expenditure for the capital and medium repair of highways and road installations.

[Question] What special accounts for the capital repair of highways and road installations should be opened in Gosbank for road organizations.

[Answer] Special accounts for the capital repair of highways are being opened for those road organizations which have current accounts in Gosbank and, in accordance with the statute dealing with the organs of administrative control for highways, are customers for this work and also for those who carry out repair work using the economic method.

In a number of instances, the financing of repair operations has been centralized in the operational administrations of roads, oblast production associations and republic trusts. In this instance, special accounts for capital repair work are opened up for the organs of administrative control mentioned above.

Special accounts for capital repair work should not be opened up for non-economic accountability road production units, the capital repair work volumes of which do not exceed 15,000 rubles annually. In the case of such road organizations, the expenditures are financed from the current accounts and under the control of their higher administrative echelons.

[Question] Can individual special accounts be opened for road organizations for the capital repair of their own fixed capital (not roads)?

[Answer] The capital repair of one's own fixed capital, that is, non-roads (production buildings and installations, highway machines, mechanisms and so forth), is financed in the generally established manner and in accordance with the statute on the order for planning, computing and utilizing amortization deductions in the national economy and also Gosbank Instruction No. 11. The amortization computed for this fixed capital should be paid back into the same capital repair special account used for financing the highway repairs; the transfer of funds from the special to the current account is carried out as the accounts and documents are presented for the actual work completed.

For road repair-construction organizations responsible for the repair of highways and road installations on a contractual basis, special accounts are opened in Gosbank on a general basis for the repair of their fixed capital.

[Question] The ministries of construction and for the operation of highways (Minavtoshosdor) of the union republics have road-construction and repair-construction organizations at their disposal. Where should current and other accounts be opened up for them: in Stroybank [All-Union Bank for the Financing of Capital Investments] or Gosbank?

[Answer] Those road-construction organizations which fulfill the functions of the contractual organizations during the construction of new roads and road installations must carry out their own credit and accounting operations in Stroybank. In the case of repair-construction organizations which perform contractual work, current and other accounts are opened for them in Gosbank.

[Question] Who is authorized to approve the plans and planning-estimates documentation for capital and medium repair operations on highways and road installations? Is it permissible to present Gosbank with several items of information relative to planning-estimates documentation as it is prepared at individual installations, or should just one item of information be presented for the entire volume of work?

[Answer] For those road production administrations or associations which are subject to the statute governing a state production enterprise, the plans for capital repair work and the appropriate planning-estimates documentation are approved by the leader of the association (administration). In the case of the remaining road organizations, those which have not been granted the rights of state production enterprises, their plans and estimates are approved by their higher organizations.

The system to be used for approving the plans and also the planning-estimates documentation and estimates for the capital and medium repair of highways and road installations is established by the minavtoshosdors in the union republics.

Financing commences only after information on approval of the annual plan for capital and medium repair and also on approval of the planning-estimates

documentation has been received and validated by Gosbank. The existing rules do not call for the presentation of information on approval of the planning-estimates documentation as the documentation for the various projects is prepared.

[Question] Which norms and rates should be employed for guidance when exercising control over the correct preparation of the estimates for the capital and medium repair of highways and road installations?

[Answer] Estimate-technical documentation for repair work is prepared based upon the existing norms, prices, tariffs and rates, price lists and calculations established for capital repair work, or according to other norms, tariffs and rates which are approved by decisions of the councils of ministers of the union republics.

Overhead expenses are accepted in amounts established by decisions handed down by the USSR Council of Ministers, the councils of ministers of the union republics and the minavtoshosdors.

[Question] Who determines the possibility and feasibility of carrying out road repair work using the economic or contractual method?

[Answer] Depending upon the specific local conditions, the possibility and feasibility of carrying out repair work using the contractual or economic method is determined by the road organization. A preference is shown for the contractual method as being more economical. If the plans call for the work to be carried out using the contractual method, then a contractual agreement must be drawn up between the customer and the contractor in the established manner.

[Question] Do norms exist for the periodicity of capital repair work on highways and road installations?

[Answer] The approximate periodicity for capital repair work on highways and road installations is set forth in the statute on the carrying out of planned-preventive repair work on production buildings and installations, approved by Decree No. 279 of USSR Gosstroy dated 29 December 1973. The mentioned statute calls for a definite periodicity in carrying out repair work on the sub-grade, the road surfaces and artificial installations.

[Question] In addition to repair work directly, what expenditures of road organizations can be financed in accordance with Point No. 13 of Instruction No. 203/33 of the USSR Ministry of Finances and USSR Gosbank dated 16 August 1974, using funds for capital and medium repair work?

[Answer] The list of these expenditures is set forth in the instruction on the classification of work associated with the repair and maintenance of highways. In accordance with this list, the plan for capital repair work includes expenditures for the construction of temporary buildings and

auxiliary installations, including bituminous, stone-crushing, asphalt and cement-concrete bases and also a number of other production efforts required for the carrying out of the repair work. Using funds allocated for the capital and medium repair of roads and road installations, permission was also granted to build permanent type dwellings, instead of temporary ones, in areas where the repair work was to be carried out, with the houses being used by the line workers of the road-operations service. The total amount of these expenditures, including the construction of permanent dwellings instead of temporary ones, must not exceed 5 percent of the annual volume of capital and medium repair work established by the road administration or its corresponding echelon.

[Question] With the permission of the local soviets of people's deputies, the road organizations can expend up to 20 percent (for some republics up to 25 percent) of the funds collected from kolkhozes, sovkhozes, enterprises and organizations, instead of their participating in the road work, for the purpose of acquiring motor vehicles and road-construction equipment, for developing the production base and for paying for planning-research work. In which bank should such expenditures be financed: Gosbank or Stroybank?

[Answer] The acquiring of transport resources, road equipment, the construction of production bases and also planning-research work associated with new construction and modernization relate to capital investments and thus must be financed by Stroybank.

[Question] Among road organizations, which sources are employed for covering a deficit in working capital and an increase in the norm for internal working capital?

[Answer] Road organizations responsible for the repair and maintenance of local roads are provided with internal working capital for covering a deficit or an increase in the norm, by means of funds obtained from kolkhozes, sovkhozes, enterprises and organizations for not having had to participate in road operations. The rules for this are set forth in the instructions of union republic minavtoshosdors, entitled "Participation of Kolkhozes, Sovkhozes, Industrial, Transport, Construction and Other Enterprises and Economic Organizations in the Construction and Repair of Highways," approved by the councils of ministers of the union republics.

In the case of road organizations which carry out construction and repair work on national and republic roads using budgetary funds, a deficit in capital or an increase in the norm for internal working capital are covered in the generally established manner.

[Question] The customers are entitled to issue advances to contracting-construction and repair-construction organizations. Such advances are issued in conformity with Instruction No. 11 of Gosbank dated 22 May 1963, entitled "Method for Financing the Capital Repair of Fixed Capital." The

total amounts of the advances, upon the instructions of the customers, are transferred to the contractors in the amounts stipulated in the agreement concluded between them, but no more than 15 percent of the contractual cost of the repair work. The repayment of advances is carried out by a contractor in accordance with the schedules and procedures set forth in the agreement.

The temporary instructions No. 148/1889 of USSR Stroybank and USSR Gosbank dated 30 June 1970, concerning the procedures to be employed by the customers for transferring funds to the contracting organizations for temporary use in the form of an advance, for covering planned expenditures for unfinished construction-installation work, apply to capital construction and not to capital repair work.

[Question] Consolidated estimates in the absence of intermediate payments and by stages or for a project on the whole are employed extensively in capital construction between the customers and contractors. Is such a system of estimates acceptable in the capital and medium repair of highways and road installations?

[Answer] The instructions concerning the possibility of employing consolidated estimates for the capital repair of highways and road installations pertain only to those situations wherein road repair-construction administrations of Latvugodormost Trust of the Ministry of Motor Transport and Highways of the Latvian SSR are converted over to the new system for planning and economic incentives. These conditions and peculiarities in the estimates were approved by the Interdepartmental Committee of USSR Gosplan.

In the cases mentioned, the consolidated estimates are carried out in conformity with the Temporary Instructions for Submitting Estimates for Repair-Construction Work for Completed Projects and Stages of Work (without intermediate payments) in Housing and Municipal Services (see USSR Gosbank Circular No. 57-73 dated 20 June 1973, since in accordance with a decision handed down by the Interdepartmental Committee of USSR Gosplan the repair-construction organizations for highways are converted over to the new conditions of management in keeping with the statute approved for repair-construction organizations of the municipal economy.

The Councils of ministers for the union republics have been granted the right, in individual cases, to employ consolidated estimates in capital repair work for up to 50,000 rubles for a project as a whole. Such a decision can also be accepted for repair work estimates in the road economy.

Capital repair estimates between a contractor and customer for completed stages of work can be employed in those instances where the cost of these stages is stipulated in the estimate, composed and approved in the established manner.

[Question] In connection with the reorganization of the administrative organs for road management, oblast production associations having economic-accountability functions have been created in a number of republics and the rayon road organizations have been converted into production units. Which instructions should the Gosbank Administration employ for guidance purposes when solving those problems concerned with the issuing of credit, estimates and exercising control over the wage funds of these associations?

[Answer] When consolidating the organs of administrative control over highways, creating economic accountability administrations (associations) and reorganizing rayon road organizations into non-economic accountability production units, the issuing of credit, estimates and control over the wage funds must be carried out in conformity with the instructions handed down by Gosbank in its letter No. 20 dated 15 November 1977.

[Question] Can contractual road organizations use Gosbank credit for the carrying out of unfinished repair-construction work? If yes, then under what conditions?

[Answer] Contractual repair-construction organizations of minavtoshosdors can obtain Gosbank credit for unfinished repair-construction work, on a general basis and in accordance with Gosbank Instruction No. 1 dated 29 May 1975, provided they have converted over to estimates for the project as a whole or for individual work stages and without intermediate payments.

[Question] How is bank control exercised over use of the wage funds by the road organizations?

[Answer] According to the method in use at the present time, wages are issued as follows to road-operations and repair-construction organizations which operate on an economic accountability basis:

...for workers engaged in construction and the capital and medium repair of highways and road installations, carried out using the contractual and economic methods -- as the quarterly plan is fulfilled, within the limits of the annual wage fund and in the order established for construction and repair-construction organizations;

...for workers engaged in current repair work, the planting of trees and shrubs and road maintenance -- within the limits of the wage fund approved for the quarter;

...for administrative-economic personnel (administrative apparatus) -- based upon the actual availability of workers and the wages computed for them, but no higher than that for the approved staffs and wage funds.

Moreover, it should be borne in mind that the road organizations, in fulfilling the plan for capital and medium repair, include that volume of

work which is carried out on the basis of direct and laborious participation by the kolkhozes, sovkhozes, enterprises and organizations in road work. In this regard the mentioned work must be excluded from the overall volume of repair work carried out -- in order to determine the right to obtain funds for wages.

[Question] What type of state statistical accounting is available for use in exercising control over the economic and financial activities of road organizations?

[Answer] The organs of the USSR TsSU (Central Statistical Administration), based upon data received from the road organizations, compose five reports each month concerning the roads, including the placing in operation of hard surface highways, fulfillment of the annual plan for capital and medium repair of highways, fulfillment of the annual plan for the capital and medium repair of bridges, fulfillment of the annual plan for the capital and medium repair of roads according to the estimated cost and on the sources for covering expenditures for the construction and repair of local roads.

By agreement reached with the local organs of the USSR CSA, Gosbank institutions can obtain these reports and employ them in their economic work.

In conformity with the statute on bookkeeping accounts and the balances of state, cooperative (with the exception of kolkhozes) and public enterprises and organizations, the road organizations are obligated to present Gosbank with the local, quarterly and annual reports and balances in the established volume.

[Question] Existing instructions stipulate that once every 10 days the remaining funds contributed by kolkhozes, sovkhozes, enterprises and organizations in place of their participation in the construction, repair and maintenance of highways be transferred from the sub-accounts to the current accounts of the higher road organs. Can these funds be transferred on a more frequent basis?

[Answer] The Gosbank institutions are obligated to transfer the mentioned sum from the sub-accounts opened on Balance Account No. 142 to the current accounts of the higher road organs on the 1st, 11th and 21st day of each month. During certain periods, when the road organizations must lay out large payments for repair materials and for the carrying out of road construction and repair work, the Gosbank offices, when so requested by the corresponding road organizations, may establish another schedule for the bank remittances of the mentioned sums, in conformity with the procedures outlined in Letter No. 2520 of the USSR Gosbank Administration dated 15 November 1977.

[Question] Some road repair-construction organizations compose two balances -- the one -- for operations and the second -- for contractual work. Does this conform with the bookkeeping instructions?

[Answer] The road organizations are obligated to compose the balances and accounts in the generally accepted form, as approved by the USSR Ministry of Finances and the USSR CSA and depending upon which functions and tasks they specifically carry out -- contractual or operational -- in accordance with the statutes approved by the respective union republic ministries.

In some republics and in accordance with the decrees handed down by the councils of ministers of the union republics, the road repair-construction administrations carry out an entire cycle of road operations: construction, reconstruction, repair and operational maintenance of highways. Moreover, some work is carried out based upon the economic method, while other types of work are performed on the basis of contractual agreements with customers. In these cases and based upon instructions received from the respective ministries, they may compose two balances -- one for operational activity and the second -- for contractual work, for that part in which they perform the functions of contractual organizations.

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## TRANSPORTATION

### OIL PIPELINE, ROAD VEHICLE, PORT PLANS DISCUSSED

Warsaw TRANSPORT I DROGI in Polish No 6, 11 Feb 79 p 3

[Statements by Boris Kozin, director, Institute of Complex Transportation Problems]

[Excerpts] In 1977, the total length of pipeline in the USSR assigned to the transport of crude oil and its products amounted to nearly 62,000 km (twice as much as in 1965). The largest pipelines run from the crude oil deposits in the Tyumen Oblast. As a supplement to the Ust'-Balyk-Al'met'yevsk and Nizhnevartovsk-Kuibyshev pipelines, a main pipeline is currently being built which will link Western Siberia with processing plants in Polotsk (Byelorussian SSR) and Chimkent (Kazakh SSR). At present nearly 90 percent of crude oil and its products is transported via pipelines. By 1980 this indicator will grow to 95 percent.

In the near future, we will note many great changes connected with the development of the vehicle fleet. At present, the majority of the trucks operating on the USSR's roads have a 2.5-4 ton capacity whereas bulk cargoes constitute 75 percent of cargoes. Their [bulk cargoes] transport is more economically efficient when carried out by vehicles with a load capacity greater than 8 tons. Therefore, a great deal of attention in the USSR is being devoted to the building of large trucks. One truck factory alone in 1979, in Naberezhnye Chelny, produced over 70,000 trucks with load capacities of 8, 16 and 20 tons.

During the current five-year plan, thanks to the turning over for use of highly mechanized harbors, the capacity of Soviet seaports has grown by 42 million tons. By 1980, several additional new harbors will come into being in such cities as Nagayev, Vostochnyy, Il'chevsk, Novorossiysk, Tuapse and Arkhangel'sk. In 1978, the USSR allocated 18.3 percent more investment funds for maritime transport development than in 1977.

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TRANSPORTATION

BRIEFS

PROJECTS OF VOSTOCHNY PORT--Nakhodka May 29 TASS--The cargo handling capacity of the Soviet Union's largest container terminal will double after its second section is completed. Work on it has started in Vostochny port of the Soviet far east. It has been decided to commission the mooring line for oceangoing container ships there at the end of 1980. Just as the first section of the terminal, the second one will be fitted out with Japanese equipment, which the firms of that country are delivering to the USSR in accordance with intergovernmental agreements. The Vostochny port is an important link of the transport container line linking Asia and Europe. The sea section of the route is serviced by eleven Soviet and Japanese container-carrying ships. The cargoes are taken over the mainland in railway trains. The first wharves of Vostochny port are operating for five years now. Apart from the containers, they handle also coal, timber, technological wood-chips. Development of the transport centre is continuing. It is being built on a compensation basis with the assistance of Japanese firms. [Text] [Nakhodka TASS in English no time given 29 May 79 LD]

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